BRETT CHRISTOPHERS

THE NEW ENCLOSURE

The Appropriation of Public Land in Neoliberal Britain

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List of Abbreviations

ASI	Adam Smith Institute
BLP	Berwin Leighton Paisner
BRB	British Railways Board
BTC	British Transport Commission
CABE	Commission for Architecture and the Built Environment
CPS	Centre for Policy Studies
CLT	Community land trust
DCLG	Department for Communities and Local Government
DEFRA	Department for Environment, Food & Rural Affairs
DHSS	Department of Health and Social Security
EFA	Education Funding Agency
FTE	Full-time employee
GLA	Greater London Authority
GLC	Greater London Council
GPA	Government Property Agency
GPU	Government Property Unit
GVA	Gross value added
HCA	Homes and Communities Agency
HDV	Haringey Development Vehicle
IEA	Institute of Economic Affairs
IFRS	International Financial Reporting Standards
IPPR	Institute for Public Policy Research

LCC	London City Council
LGA	Local Government Association
LSA	Land Settlement Association
MoD	Ministry of Defence
MoJ	Ministry of Justice
NAO	National Audit Office
NEF	New Economics Foundation
NHS	National Health Service
OFT	Office of Fair Trading
OGC	Office of Government Commerce
ONS	Office for National Statistics
PACE	Property Advisers to the Civil Estate
PLI	Public Land Initiative
PRS	Property Repayment Services
PSA	Property Services Agency
PSC	People with Significant Control register
RBS	Royal Bank of Scotland
RIFW	Regeneration Investment Fund for Wales
RLA	Redundant Lands and Accommodation

Acknowledgements

My first and most important thanks are to my family: Agneta, Elliot, Oliver and Emilia. That you have put up with me now for the completion of five books – or in Emilia's case, four – is quite some testament to your love and patience. Over the past four years, I hope that I haven't been as hard work for you as researching and writing this one sometimes has been for me.

I am extremely grateful to the team at Verso, including my production editor Mark Martin and copy editor Charles Peyton, for everything that turning out a polished, finished product entails. Verso's is always the first catalogue of the book season I turn to, and now to have one of my own books in it feels, genuinely, like an honour. What a stable to be part of! While the work involved in producing this book has been really hard, it has been fun and energizing too. It is relatively easy to retain enthusiasm when you are writing about something that you think is both interesting and important. I cannot guarantee you, the reader, that I have done justice to the material I discuss in the book, but I *can* guarantee you that the material itself deserves your attention. I have tried, in the final reckoning, to tell a story – about the growing disappearance of publicly owned land in Britain since 1979 – and it is a story that needed telling, not only because it affects so many people (basically, everyone in Britain) in profound ways, but because the disappearance is ongoing. For recognizing early on the interest and import of the story, and for believing in my ability to pull the book off when I first mooted it to him, I thank my editor at Verso, Sebastian Budgen.

Sebastian was one of five people who read the entire manuscript in draft and who offered invaluable suggestions for its improvement. I hope I have

done reasonable justice to these suggestions; needless to say, I alone am responsible for the book's claims and for any remaining errors of fact or interpretation. The other four readers are friends and colleagues in the academic world: Madeleine Fairbairn, Anne Haila, Mike Levien and Don Mitchell. I thank all of them for taking time out from hectic schedules to read the text closely, critically and constructively. Each, individually, is formidably knowledgeable about the generic subject matter of this book, which is the political economy of land; and what they do not know about this political economy as a group, well, you could probably fit on the back of a postage stamp. I am very lucky to have been able to lean on them.

I am lucky, too, that the last of these readers – Don – is also now a colleague at the geography department at Uppsala University. Don's arrival has given a considerable fillip not just to geography in Uppsala, but to critical geography in Sweden more generally. Syracuse's loss is very much our gain. In addition to Don, I thank all of my other colleagues in the geography department – and in particular, for keeping me on my toes, Ståle Holgersen, Gunnar Olsson, David Jansson and the various doctoral students I'm fortunate enough to get to supervise.

When I have written books previously, I have tended in writing acknowledgement sections like this one to thank from farther afield only those people who have been actively involved in helping me with the particular book in question. I did not need to mention anyone else because the book had nothing to do with them. Right? With the fullness of time, however, I have come to see how naive and narrow that perspective was. There is a wide group of friends and colleagues around the world who have not yet read a word of this book – indeed, who in almost all cases had no idea I was even writing it – but whose collective imprint on the ideas animating it, and on the energy and enthusiasm invested in producing it, is now clear for me, at least, to see. Without them, and without the conversations in person, by email and by Skype that we have had over the years, not only would the book look nothing like it does, but nor, I imagine, would I. So, belatedly but absolutely wholeheartedly, I want very much to thank Philip Ashton, Trevor Barnes, Christian Berndt, Patrick Bigger, Tim Blackwell, Marc Boeckler, Bruce Braun, Dick Bryan, Noel Castree, Dan Clayton, David Demeritt, Jessica Dempsey, Desiree Fields, Ben Fine, Shaun French, Chris Gibson, Vinay Gidwani, Sarah Hall, Gill Hart, David Harvey, Stuart Hodkinson, Leigh Johnson, Kelly Kay, Mark Kear, Sarah Knuth, Greta Krippner, Bill Kutz,

Mazen Labban, Bob Lake, Paul Langley, Rebecca Lave, Nick Lewis, Andrew Leyshon, Geoff Mann, James McCarthy, Chris Muellerleile, Daniel Mügge, Kathe Newman, Chris Niedt, Phil O'Neill, David O'Sullivan, Shiri Pasternak, Jamie Peck, Jane Pollard, Mary Poovey, Shaina Potts, Scott Prudham, Mike Rafferty, Mary Robertson, Erica Schoenberger, Susanne Soederberg, Matt Sparke, Kendra Strauss, Nik Theodore, Dick Walker, Sophie Webber, Rachel Weber, Marion Werner and Heather Whiteside. From among this large and distinguished group, two people deserve singling out. If I ever have anything interesting to say about the world, it is likely begged, borrowed or stolen from Phil Ashton or Geoff Mann. Perhaps it is just me, or perhaps it is a function of ubiquitous social media, but academia today feels more awash than ever with folk who are big on self-promotion but short on anything valuable to promote. Phil and Geoff are the exact opposite: they have lots of value to say, but they are generally the last people to let you know about it. So here I am to tell you instead.

I also owe a significant debt of gratitude to a small group of individuals who have worked tirelessly over the years to illuminate the notoriously murky world of British landownership. As anybody who has studied the political economy of land in Britain knows, information about which individuals and institutions own what land has for a long time been incredibly difficult (and typically very expensive) to come by. Powerful vested interests, furthermore, have sought to keep it that way. The situation is now gradually improving. But only in fits and starts. And only thanks to relentless campaigning and cajoling by those convinced in the importance of transparent landownership information to a functioning and fair democracy. In the absence of open and comprehensive official data on landownership – a scenario which, in truth, remains some distance off – it has historically fallen to lone researchers to fill in the many yawning gaps. Three individuals have made especially significant contributions since the 1980s: for Britain as a whole, Kevin Cahill; for Scotland, Andy Wightman; and, most recently, for England, Guy Shrubsole. I thank them all profusely for their heroic work of data gathering, compilation and communication, without which this book would not have been possible.

I have dedicated the book to two people, without whose influence I definitely would not have written it, since my interest in land and its political economy has been shaped irrevocably by them and their work. One of those people, Doreen Massey, is no longer with us. In one respect this is an odd

dedication – I never met Doreen. But in another, more important respect it is not an odd dedication at all. I am an economic geographer, and Massey was and remains a towering influence for economic geographers of my generation. And, though many people, including some of her most ardent admirers, are unaware of it, she wrote – widely, brilliantly, originally and passionately – about land. Before beginning in the late 1970s with her much better-known work on, inter alia, regional industrial restructuring, gender and geography, the politics of place, and the 'power geometries' of globalization, Massey spent a good part of a decade researching and writing about the political economy of land in Britain. She knew that particular political economy, with its manifest inequalities and historically embedded political fault-lines, better than anyone; she observed and wrote about the 'financialization' of land (although she did not call it that) forty years before it became fashionable to do so; she knew just how important land was and is to British society, politics and economy. Nobody since then has written about the political economy of land in Britain with anything approaching her insight or verve. Around the time she stopped writing about land, at the end of the 1970s, the land question largely disappeared, for reasons discussed in this book, from both politics *and* critical scholarship in Britain, and Massey's own work on land faded into the background with it. My book has the immodest ambition of putting both the land question and Massey's analysis of it back on the political and scholarly map. To the extent that the book offers a history – albeit a selective and partial one – of the political economy of land in Britain since the late 1970s, it begins where Massey's work left off.

The second person the book is dedicated to is Cole Harris, the historical geographer who supervised my master's degree at the University of British Columbia in the mid 1990s. When I began my master's, I had no idea whether I wanted a career as a geographer in academia; Cole, in retrospect, is the person who persuaded me I did, though certainly not through any actual persuasion. And Cole, with his legendary field trips to the Fraser Canyon, was the person who first showed me how land suffuses and shapes all significant questions of political economy. In the settler society that is British Columbia, you'd have to try very hard *not* to be aware of the land question; colonialism, after all, is at root a struggle over land, and that struggle continues in western Canada. Cole knew, and has written, a lot about that struggle and its ongoing history, and communicated his knowledge about it with great dedication and humanity.

I have remained in sporadic contact with Cole over the past two decades, although our paths have crossed only once. Last year, we communicated a little by email about this book I was writing. With a large cancerous tumour having been found behind his spleen in late 2016, Cole, now in his eighties, with six weeks of radiation treatment behind him and needing to recover strength before surgery could be scheduled, was in wistful but not unenthusiastic mood. Ever the curious historical geographer, he wrote to me as follows:

> I have always been fascinated by the concentration of landed wealth in the UK, and often, musing about what I would have studied had I been an English historical geographer, have concluded that I would study precisely this. The halls and parks of gentry and aristocratic England are often beautiful, but represent a huge appropriation of wealth from what Goldsmith called England's 'bold peasantry.' Essentially, those estates annoy me … It has long seemed to me that perhaps the place to start my investigation of landed wealth in England would be with the dissolution of the monasteries in the 1530s, when Henry the Eighth redistributed an enormous amount of land to his favourites. When last in England I visited a distant cousin in Winchcombe, a small town nestled in the heart of the Cotswolds, and read a certain amount about this very conservative place tucked away from modern England. In 1530 the Benedictine monastery, owner of 42,000 acres of land, dominant in brewing, and controlling the wool trade with Spain, overwhelmingly dominated the economy. Ten years later, this ascendancy was gone; abbots who resisted the takeover were hanged, and a new regime of landed wealth was being put in place. So, as it were, I would start there and follow the course of this landed wealth, perhaps even into the 20th century, perhaps even Brett, if one can let one's imagination flow, to the point where your studies and mine would overlap. Well, I won't do any of this, but in other circumstances, I just might have.

Indeed he might. Perhaps the best I can say by way of dedication to the two people who most influenced me in writing this book – Doreen Massey, who did study the political economy of landed wealth in twentieth-century Britain, and Cole Harris, who just might have done – is that one of my highest hopes for it is that Cole approves, and that Doreen would have done.

Uppsala, June 2018

Introduction

What has been Britain's biggest privatization to date? In 2015, at least two different answers were given to this deceptively simple question. In the *Financial Times*, journalists Emma Dunkley and Martin Arnold suggested that the answer was the Royal Bank of Scotland (RBS), which had been rescued by a £45 billion state bailout in 2008 at the height of the global financial crisis. They reported that the then Chancellor, George Osborne, had sold £2 billion of the government's RBS shares – shares valued in total in mid 2015 at £32 billion, and hence likely crystallizing an eye-watering loss to the taxpayer – and that in doing so he had 'kicked off Britain's biggest privatisation'. The sale, they said, 'forms part of a privatisation programme that Mr Osborne hopes will eclipse the Thatcherite boom of the 1980s and 1990s'.[1] Meanwhile, in *Private Island*, his lacerating critique of privatization in Britain, James Meek gave a different answer: the sale of council houses. Worth 'some £40 billion in its first twenty-five years', the sale of social housing had been, Meek claimed, 'Britain's biggest privatisation by far'.[2]

But both were wrong. And not just slightly wrong, but spectacularly, orders-of-magnitude wrong. Britain's biggest privatization has not been of housing or a bank. It has been of land. Since Margaret Thatcher entered Downing Street in 1979, and continuing all the way to the present day, the state has been selling public land to the private sector. It has sold vast quantities – some 2 million hectares, or about 10 per cent of the entire British land mass. Some of this land, to be sure, has disappeared with Britain's council housing: much of the value of the housing that has been sold, and which Meek discusses, is in fact the value of the land on which that housing

sits. But housing land accounts for only a small proportion of the overall land mass that has been privatized. How much has this privatization, in total, been worth? We cannot say for sure, for reasons that will become clear in due course. But my best estimate, explained in Chapter 5, is that, at today's prices, the land that has been sold is likely to be worth something in the order of £400 billion, or the equivalent of more than twelve RBSs.

We have, then, a puzzle. On the one hand, a massive, decadeslong British privatization, dwarfing all others in value. On the other, a lack of recognition, in recent discussions of privatization in Britain, of this most significant of all transfers of public assets to the private sector. For it is not just Meek, Dunkley and Arnold who overlook the privatization of British land. Consult any inventory of Britain's most notable privatizations, from the political Left or Right, and you will find the same thing. Richard Seymour's 2012 'short history of privatisation in the UK' in the *Guardian*? No land.[1] Chris Edwards's 2017 tabulation of 'major British privatizations' in the libertarian *Cato Journal*? No land.[2] Indeed, the neglect of land privatization in Britain runs considerably deeper. There is, to all intents and purposes, no scholarly literature on the subject; it is the one exception I know of to the second of US economist Tyler Cowen's 'three laws': viz., 'There is a literature on everything.'[3] And as well as not having been studied, British land privatization has, for the most part, also not been substantively contested or protested.

Why this lack of engagement, recognition and attention? One of the aims of this book is to try to account for it, but the question is essentially parked until the Conclusion. It is not possible to understand why so little is known about Britain's land privatization – and, relatedly, why it has proceeded as comfortably as it has – without first exploring that privatization in depth. But during the five chapters that precede the Conclusion, I would recommend that the reader, and especially the British-based reader, always keep this puzzle at the back of their mind: *Why did I not know about this before*?

The body of the book is a detailed study of this privatization: the sale of public land – land owned by public bodies – to non-public bodies. It covers the period from Thatcher taking power in 1979 up to the present; for land is still being privatized, in volumes and at a rate arguably unmatched during previous decades. Land has during those decades been sold by all manner of public bodies, in both central and local government, across the length and

breadth of Britain. But it has not been an even programme geographically, temporally or institutionally. Public land in Scotland, for instance, has been less affected than in England and Wales; land privatization has been concentrated in the periods coinciding with Tory or Tory-led administrations, albeit far from halting under New Labour; local authority landholdings have been more substantially denuded than central government holdings; the National Health Service estate has been more substantially denuded than, say, the Ministry of Defence estate; and so on. Another of the book's aims, then, is to flesh out all of this variegation.

But three other aims take centre stage. These are to identify the *why*, *how*, and *with-what-consequences* of land privatization. Why, firstly, has public land been sold? To the extent that one has been articulated, what has been the principal logic or rationale for privatizing it? Chapter 3 tackles this question. Chapter 4 looks in turn at how public land has been privatized. Who has been involved, and what techniques have been employed, rules and guidelines established, structures and processes rolled out? The question of consequences – what land privatization has led to, in addition to a simple quantitative shift in the balance of landownership between public and private actors – is the subject of Chapter 5. The consequences it discusses are at once economic, social and political.

The book offers a forceful critique of land privatization as it has transpired in Britain. But it is not a simplistic or crude critique. My argument is not that private ownership – of, in this case, land – is per se 'bad' and public ownership per se 'good' (although, ironically, this is precisely the case, inverted of course, that many advocates and agents of land privatization in Britain and elsewhere have advanced to justify it). The critique I offer is considered and grounded, based always on the actually-existing realities of privatization. I subject to critical scrutiny the rationalization of privatization (Does it hold water?), the enactment of privatization (Has it been judicious, consistent and equitable?), and the outcomes of privatization (Have they been broadly positive or negative for key stakeholders to the process?). My conclusions, in large measure, are in the negative. The logic of privatization has been deeply flawed; the process of privatization has been deeply problematic; and its consequences have been deeply deleterious. Not only has land privatization in Britain generally not delivered the benefits that successive UK governments have said it would provide: value for public money; new jobs and homes; more efficient land allocation. It has in fact

contributed substantially to three decidedly negative broader trends: a rise in private-sector land-hoarding; Britain's growing transformation into a 'rentier' type economy – one increasingly dominated by rents paid by the many to the affluent, landowning few; and widespread social dislocation.

Who should care about this? Everyone in Britain. That may sound like hyperbole, but it really is not. For another of the main aims of this book is to emphasize just how much land matters. It is the literal foundation of people's lives, at all geographical scales; we need it for shelter, work, mobility, play and protest. And because land matters, so too does landownership. Whoever owns the land has the ability to determine how it is accessed and used, and by whom. Of course, this ability is sometimes circumscribed in certain ways, for example through planning measures or other government regulations. But landownership nonetheless confers real power that ultimately affects all of society, especially locally to the land in question. So it matters a great deal who owns land. And it clearly matters if the government is selling the land it owns itself. It is called 'public land' not because 'the public' necessarily has a right to access and use it, but because the public – via the state that represents it – ultimately owns it. And the public, at least in a democracy, therefore in principle has the power – again, through the apparatus of the government it elects – to shape how this land is used. If the government disposes of public land, it disposes of the public power associated with it. There surely cannot be many government decisions that matter more in a democratic society.

The British experience, moreover, is potentially instructive for other national contexts. Publicly owned land is a feature, to some degree, of nearly all societies.[1] Certainly, all of the late-capitalist liberal democracies with which Britain is arguably most comparable have a mix of public and private landownership. Some of those countries, including for example Canada and France, have also ventured down the land-privatization road, although not, proportionally, to anything like the same extent as Britain.[2] So, too, and often more vigorously and comprehensively, have some of those countries in the Global South where until relatively late in the twentieth century the state remained a significant landowner. In Brazil, for instance, the proportion of northern Amazonian land under public ownership declined from 30 per cent in 1970 to just 7 per cent in 1996.[3] Another example, from a very different part of the world, is Kenya, where Jacqueline Klopp has described how, in the 1990s, public land, relatively unfettered by international scrutiny, was used by the government as a source of patronage and an instrument to

maintain sociopolitical control through a process of corrupt 'irregular privatization'.[4]

But while some other countries, like Britain, have seen extensive land privatization in recent decades, others still have not – or, at least, not yet. Maybe the best-known example in the latter category is the United States, where the federal government owns in the region of a quarter of all land (much of it originally taken from Native Americans), which is a higher proportion than has ever been the case in Britain.[1] Periodically, including in 2017, the Republicans float the possibility of selling some or all of this land, almost all of which is in the west (only 4 per cent of land east of the Mississippi is publicly owned; the figure for the west is 47 per cent).[2] Knowledge of what happens when public land is privatized, as it has substantially been in Britain, might prove very valuable in such a context.

Public Land in Britain, and in This Book

What do I mean in this book by 'public land'? When I write about British public land having been privatized, what is it, precisely, that has passed from public to private hands? It is important to be as exact as possible here about the nature of the thing whose privatization I examine in what follows.

Public land is simply land owned by public bodies. In Britain, there are hundreds of such bodies (see Chapter 4), and the vast majority of them are landowners. Some of them own only small amounts of land. Others own vast quantities – the Forestry Commission, which is far and away the largest single public (or private) landowner, owns over 1 million hectares, much of it in Scotland (see Chapter 5). By land privatization, then, I mean the transfer of land owned by any public-sector body into private ownership.

But this definition raises a number of sometimes thorny questions. One is that of how one might distinguish between land privatization and other privatizations. Many of the major British public enterprises sold to the private sector during the past four decades – for example, the electricity suppliers, the coal industry, and, most significantly, the water authorities – were themselves major landowners. Were their privatizations also land privatizations? Strictly speaking, yes they were: the land that such enterprises owned was generally privatized along with them – indeed was often one of the key assets (an essential 'factor of production') acquired by the new

private owners.[1] My estimate of the total amount of British land privatized since the end of the 1970s – 2 million hectares – therefore includes all the land that was privatized along with the enterprises owning it. Nevertheless, these privatizations, which collectively account for less than 20 per cent of the overall amount of privatized land (approximately 350,000 hectares), fall outside the main ambit of this book. The reason for this is that the book is interested in the privatization of land *qua* land: that is, those transactions where land is the only or the primary thing that is sold. If land is essentially an appendage, however material, to something else that is being privatized – a regional water authority, an electricity wholesaling or retailing business, and so on – it is not in the book.[2]

Still, demarcating the privatization business in this fashion necessitates some difficult judgment calls. Perhaps the hardest concerns council housing. As I have already said, a significant proportion of the value of the housing sold by British local authorities since the late 1970s is accounted for by land. And this proportion has been increasing; by some estimates (see Chapter 1), land today represents on average around 70 per cent of the sale price of residential properties in England. Such statistics – the fact that when people in Britain buy housing they are, today, principally buying land – make it very difficult to justify excluding the privatization of housing from my analysis of the privatization of land, and so I do not exclude it. The story of the privatization of council housing is part-and-parcel of the wider story of land privatization that I relate.[1] But I do not prioritize or belabour it. That story has been well told elsewhere, in stark contrast to the untold story of (other) land privatization.[2] I therefore rely heavily on those existing narrations, and frequently refer the reader to them, spending significant time myself on the housing component of the wider story only when I feel that an issue of particular importance to that story has not been adequately drawn out.

The example of housing speaks, of course, to a more general ‘border’ issue, concerning the boundary between land and what we might call collectively its ‘appurtenances’. I have already said that this book does not discuss the privatization of land where land is essentially an appendage to another privatization. But what of appendages to land, rather than land-as-appendage? What, for instance, of former hospitals on land sold by health authorities? Or former changing rooms on school playing fields sold by local authorities? Or mineral resources lying under land sold by other public

bodies? Should we exclude these? No. The capability certainly exists for the state (like other landowners) to sell land while retaining ownership of, say, selected buildings on the land; one of the key innovations of community land trusts, discussed in the conclusion, is precisely to bifurcate ownership rights in this way.[3] But, in practice, the British state ordinarily has not done so. Where bifurcation has occurred, it is typically the buildings that have been sold while the land has been retained.[1] Thus, both explicitly (I will often refer to 'land and property') and implicitly, 'land' in this book generally means, in David Harvey's words, 'land and its appurtenances (the resources embedded within it, the buildings placed upon it and so on)'.[2]

This leaves just one final relevant border-related issue to be delineated: the border between public and non-public landowners, and thus between public and non-public land. Two categories of land in Britain demand particular consideration in this respect, lest confusion arise as we proceed. These are the Crown Estate and common land. Do these belong under the 'public land' umbrella, and hence in this book?

Let us take the Crown Estate first, which contains various prized urban land assets – including, in London, the whole of Regent Street and much of St James's – and approximately 136,000 hectares of agricultural land and forests across Britain.[3] The Crown Estate is an infuriatingly complex phenomenon, but for our purposes, at least, it is not public land, and thus I do not examine its ownership and any historic disposals made from it. The key reason is that, even though all profits from the management of the estate accrue to the state – to the UK Treasury in the case of the estate in England and Wales (and Northern Ireland), and, since early 2017, to the Scottish government in the case of the estate in Scotland – the state does not own it.[1] It is owned, rather, by 'the reigning monarch "in right of The Crown", that is, it is owned by the monarch for the duration of their reign, by virtue of their accession to the throne'.[2] Properly speaking, in other words, the estate belongs to the title of the monarchy, rather than to the monarch per se. Sales of chunks of the Crown Estate do not therefore constitute privatization, because they do not extinguish public ownership; if another word for privatization is denationalization, then Crown Estate disposals can be thought of as a form of 'demonarchization'.

And nor is so-called 'common land' a form of public land – not all of it, anyway. Some common land is public land. But where the 'public' in 'public

land' refers to the identity of the possessor of rights of ownership of land, the 'common' in 'common land' refers, in Britain, to the identity of the possessor of rights of land access and use. This is a vital distinction, and one that is often confused or misunderstood. Public land, by definition, is owned by the public, if indirectly; common land, by definition, is land to which rights of common (public) access and use apply. The term 'common land' says absolutely nothing about who the land's owner is. Some such land is owned by public bodies; but some is owned by charities or community groups; and some is owned by private individuals or corporations. That common land which is (or, in the late 1970s, was) owned by public bodies falls within the scope of this book. All other common land falls outside of the book's remit.

How much common land is there in Britain? By recent estimates (see the Conclusion), around a million hectares. That may sound like a lot, but from a *longue durée* perspective it is a very small amount. Wind back the clock to the late seventeenth century, and half or more of Britain was common land – perhaps as much as 12 million hectares in total. The vast bulk of common land, however, became something else – land that the public, or 'commoners', could not legally access and use – as a result of a drawn-out process of dissolution of common rights that picked up steam from the early eighteenth century and ran at full throttle until late in the nineteenth. That process was, of course, the famous, original 'enclosure' movement.

The New Enclosure

The original enclosure movement is one of the most well-known and widely rehearsed phenomena not just in the history of modern Britain, but in the history of capitalism more generally. Marx called it the 'primitive' or first accumulation. It was the 'event' – not momentary by any means – that made the whole subsequent history of industrial capitalism and capitalist accumulation in Britain possible, insofar as it deprived commoners of their means of subsistence and compelled them to sell their labour-power to capitalists in order to survive: to become, in other words, the working proletariat, the source of surplus value to be accumulated. The fields and so-called 'waste' lands of pre-industrial Britain were, literally, enclosed, hedged off from communities accustomed to reproducing themselves through the common land. I discuss this history at greater length in Chapter 2. As I show,

enclosure was at once profoundly social as well as spatial.

I use the term ‘enclosure’ to describe land privatization in post-1970s Britain precisely to call attention to and insist upon the deep historical resonances between contemporary enclosure and Marx’s original, primitive enclosure. Some of these resonances, as I demonstrate in Chapters 2 and 3, are found in the realm of official discourse. Advocates of eighteenth- and nineteenth-century enclosure justified it by depicting common land as wasted land, needing to be put to productive (capitalist) use; today, advocates of land privatization in Britain justify it by depicting public land as ‘surplus’, as wasted by an inherently inefficient public sector, and once again needing therefore to be put to productive (private sector, profit-oriented) use. The resonances are no less clear, meanwhile, in the material, lived realm. Just like the original enclosure, land privatization in modern Britain represents an intensely consequential reordering of land’s political economy and, as a result, of the national political economy more generally. I show this in Chapter 5, where I also show that, like the original enclosure, this contemporary privatization has a distinctive, decisive spatiality – given that it is land that is being privatized, how could it not? Yes, today’s land enclosure has occurred on a smaller scale than the original enclosure. And yes, it is ‘technically’ different, inasmuch as the core transformation is of ownership rather than of access and use rights.[1] But the social and economic effects, I argue, are potentially no less momentous, not least given that today’s privatizers are far from done yet. Enclosure continues apace, as you read these words.

In theorizing contemporary privatization as a consequential form of enclosure, I am consciously echoing the arguments of David Harvey and others. For Harvey, privatization, and the more general dispossession (by whatever means) of assets held publicly or in common, is not some marginal feature of late capitalism. It is, rather, at the very forefront of modern capitalist accumulation and growth, an essential mechanism of what Harvey calls ‘accumulation by dispossession’.[1] And Harvey sees this contemporary accumulation by dispossession explicitly as a revivification of the original enclosure movement. A ‘new round of “enclosure of the commons”’ has, he says, been made into a central objective of state policies not just in the Anglo-American world but also farther afield.[2] In the context specifically of land privatization in post-1970s Britain, I am saying much the same thing. This privatization is indubitably a form of enclosure; and it epitomizes key

developments in late capitalism more generally. Enclosure, as Harvey insists, is not merely a thing of the past in the Global North. (That it is current in the Global South is much more widely acknowledged, as evidenced in the voluminous literature on 'land grabs' and the like.)[3] Furthermore, and no less importantly, enclosure is not 'just' privatization. Its geography is always pivotal. Enclosure, as Stuart Hodkinson writes, is 'the commodification of space' as well as of society and economy.[4] It has, as Alvaro Sevilla-Buitrago, channelling Henri Lefebvre, has likewise observed, a particular 'spatial valence and territorial articulation', representing a 'tendency to normalize space under a unitary political-economic rationale'.[5] Under enclosure, land is homogenized according to the equivalating logic and calculus of accumulation.

While I echo all of these (and especially Harvey's) arguments, however, I give them the particular twist demanded by the historical–empirical context in which I examine the more generalized late-capitalist tendency towards enclosure. My focus is squarely on land-ownership and the particular powers that it bestows. Landownership, as I argue in Chapter 1, and demonstrate in Chapter 5, bestows the power to fashion – positively or negatively – the social, economic and political development of communities, regions and nations. And enclosure, in the shape of land privatization, signifies the negative operationalization of the power vested in landownership. It entails the use of this power specifically to constrain and close down land uses actually or potentially delivering demonstrable public benefits. Enclosure not only 'turns a collective interest into an individualized one', as Nick Blomley puts it. It serves, as he goes on to say, to 'compromise the very survival' of land uses that are incongruous with individualized interest – and thus the survival, too, of social forms tied to such land uses.[1]

Neoliberal Britain

'Enclosure' is therefore an important word in this book's title. Another word, which also warrants some explanation, is 'neoliberal'. It is hardly a straightforward word (it can be and has been defined in innumerable ways), and nor is it without its detractors: to many, including but not only on the Right (and including but not only those who are themselves, maybe unknowingly, neoliberals), 'neoliberal' is simply a catch-all pejorative used

by the Left to denounce anything about capitalism they do not like. One therefore runs certain risks when using it categorically. So why do so? In the case of this book, there are two reasons.

The first concerns simple labelling and historical periodization. The book is about a very particular period of British history, stretching from 1979 to the present day. I wanted to signify this era very clearly in the title – to tell prospective readers when land has been privatized. I suppose I could have used the subtitle 'The Appropriation of Public Land in Britain since the End of the 1970s'. But that would hardly have been an elegant solution. Nor, more importantly, would it have been a meaningful solution. The fact of the matter is that in political–economic terms Britain did change, dramatically, in 1979, and, notwithstanding the odd wistful glance over the shoulder from a few of those in power, it has never looked back. Britain since 1979 is definitively not like Britain before 1979. I wanted a title that meaningfully conveyed this difference and temporal specificity, not one – like 'Britain since the End of the 1970s' – implying that all that changed after 1979 was the number of the year. Industrial Britain, after all, is called 'industrial Britain' for a reason. How best to capture the essential nature of that which in Britain both unifies the decades since 1979 and most meaningfully distinguishes them from those preceding them? 'Neoliberal' is, in my view, far and away the most persuasive answer yet provided to that question.

The second reason is more important still. I use the word neoliberal not just to identify the period with which the book is concerned, but because I am trying to contribute substantively to understandings of what neoliberalism in Britain actually is. In other words, this is not just a book about the privatization of land within the historical context of neoliberalism; it is also, more provocatively, a book about neoliberalism, as evinced by land privatization. My argument, in short, is that privatization in general, and land privatization in particular, is fundamental to neoliberalism, and especially British neoliberalism; and that existing conceptualizations of neoliberalism do not pay sufficient heed to this centrality.

What do other scholars claim is neoliberalism's trademark feature? Some, such as Ben Fine, suggest it is 'financialization'.[1] Neoliberalism, it is argued, is notable above all for the hegemony of financial institutions, practices, and modes of accumulation. Others beg to differ. Will Davies says neoliberalism is principally about competition, specifically the injection of competition not just into all sectors of the economy but also into nominally 'non-economic'

spheres of social life.[2] Jamie Peck's influential reading of 'neoliberal reason' treads similar ground, suggesting that it is the privileging of the particular sphere within which competition is assumed to flourish – the market – that distinguishes neoliberalism; neoliberalism is, he writes, 'an open-ended and contradictory process of politically assisted market rule'.[3] Wendy Brown's account of neoliberalism is also similar: she says that neoliberalism is about the 'economization' of everything and everyone, making all aspects of life conform to an orthodox economic calculus.[1] Harvey's slightly earlier study, meanwhile, stands somewhat apart. For him, neoliberalism is first and foremost about the reassertion of class power.[2]

Some of these understandings are problematic inasmuch as they are simply contradicted by the facts. The idea that neoliberalism is fundamentally about competition, for example, does not even get off the starting-blocks – the neoliberal era, in its Anglo-American heartlands, is in fact notable for a marked decline in levels of competition compared to the 1960s and 1970s, as a defanging of competition law and a simultaneous bolstering of intellectual property rights from the early 1980s enabled the widespread reassembly and defence of monopoly powers.[3] But the more general problem with all of the aforementioned definitions is that they fail what is perhaps the chief acid test of any such definition (beyond, of course, simply according with historical reality): distinguishing meaningfully between neoliberalism and liberalism itself. If a conceptualization of neoliberalism does not tell us how it is different from liberalism, what useful purpose does it serve? Do we even need the idea of 'neoliberalism' if, in our figuring of it, it is not materially different from the 'old' liberalism that the 'neo' presumably signifies a break from? Beyond merely denoting historical periodicity, it is hard to argue that we do.

Yes, financialization, market rule, economization and entrenched class power are key characteristics of the past four (neoliberal) decades. *But they were also key characteristics of the era of high liberalism*, stretching from the mid-nineteenth century to the early twentieth. Where market rule and economization are concerned, the scholar who did most to emphasize these aspects of liberal society was Karl Polanyi (which is, of course, precisely why scholars of *neo*liberalism have returned so keenly to his work). 'Neither under tribal nor under feudal nor under mercantile conditions', Polanyi wrote of economization, 'was there … a separate economic system in society.

Nineteenth-century society, in which economic activity was isolated and imputed to a distinctive economic motive, was a singular departure'. Another, associated, departure was market rule, the endeavour – no less contradictory than under neoliberalism – to 'allow the market mechanism to be sole director of the fate of human beings and their natural environment'.[1] Meanwhile, to appreciate just how central financial institutions, practices and modes of accumulation were in the same period, one need only read Giovanni Arrighi, or Georg Simmel, or Thorstein Veblen, or John Maynard Keynes.[2] The last of these, for example, decried the fact that late-nineteenth-century society 'carried to extravagant lengths the criterion of what one can call for short "the financial results"', such that the 'whole conduct of life was made into a sort of parody of an accountant's nightmare … The same rule of self-destructive financial calculation governs every walk of life' – life, in short, had been 'financialized'.[3] Finally, on the immense concentration of class power at the *fin de siècle*, the literature is vast. Rudolf Hilferding's account of the fusion of the interests of industrial capital, finance capital and the state is arguably paradigmatic.[4]

If financialization, market rule, economization and entrenched class power were no less material to liberalism than they are to neoliberalism, then, is there in fact anything truly distinctive about the latter? And if not, why bother with the concept? My suggestion is that what is truly original about neoliberalism is perhaps the privatization of public ownership. For while privatization is central to neoliberalism, it was not a significant feature of liberalism – partly because there was, in Britain as in much of the rest of the liberal capitalist world, no substantive public sector to be privatized. In the West, large-scale government ownership of assets, including land assets, was, with notable exceptions, essentially a twentieth-century development.[1] The 'original' enclosure of British land – with which, I have argued, contemporary land privatization shares certain vital features – was an enclosure of rights, not of ownership, and certainly not of *state* ownership, which at the time was trivial.

Arguably, then, privatization, much more than marketization or economization or financialization, is what genuinely sets the neoliberal era apart. The discursive and literal assault on state ownership is neoliberalism's hallmark.[2] And this is nowhere more strikingly evident than in Britain, even if, following Britain's example, privatization eventually became a signature

feature of neoliberalism around the world, with governments in more than a hundred countries having raised more than $3.3 trillion through sales of state assets to the private sector since the early 1980s.[3] Britain was privatization's undisputed trailblazer, and Thatcher was its chief protagonist. She is even credited with popularizing the very word 'privatization', and today her supporters still regard her privatization accomplishments as her 'most important and enduring economic legacy'.[4] But, crucially, privatization in Britain did not stop when she resigned in 1990. It has continued in earnest. Many of Britain's biggest privatizations (National Power, British Rail, British Coal, Royal Mail) have occurred under subsequent administrations, including Labour ones (for example, air traffic control, British Nuclear Fuels). By the mid 1990s, as Chris Giles and Gill Plimmer recently observed, 'Labour had largely reconciled itself to the concept of private ownership' of previously public services.[1] And all the time, land, land, land. Indeed, part of the reason that it does make conceptual and historical sense in the British context to describe the entire period since the late 1970s as 'neoliberal' is that privatization has been a constant theme. Not the only one, for sure, but the only one that is distinctive to neoliberalism.

What is clear, in any event, is that one cannot meaningfully speak of neoliberalism and privatization, or of neoliberalism and enclosure (privatization's spatial exemplar, if you like), as if they are separate or separable phenomena. Many commentators do this – Alex Vasudevan and colleagues, for example, call for analysis of the 'figurations through which enclosure and neoliberalism are intertwined'.[2] This is misleading because, if I am right, there is no 'neoliberalism' without privatization/enclosure. The latter is internal and inherent to the former, not something that can externally come into contact, and then intertwine, with it.

And nor, of course, can one hope to understand neoliberalism adequately in Britain unless one pays due heed – heed which to date has demonstrably not been paid – to the importance of changes in landownership. For if in Britain the period since the end of the 1970s is definitively the neoliberal period, and if privatization is indeed the cardinal feature of British neoliberalism, then the biggest privatization of them all, that of land, is arguably the country's seminal political– economic development over the past four decades. This book provides the first study of that development.

The Chapters

The book contains five chapters, followed by a relatively brief conclusion. The purpose of Chapter 1 is to explain from a theoretical perspective why landownership matters, and especially why it matters if land is held in public (state) or private hands. I do not suggest that public and private ownership are respectively associated with certain timeless and immutable features; rather, I argue, drawing on thinkers ranging from Adam Smith to Polanyi and Harvey, and many others in between, that they respectively encourage certain important social and economic tendencies – and that significant transformations in patterns of public and private landownership of the type we have seen in neoliberal Britain are liable to matter accordingly. Understanding how and why landownership matters, this theoretical chapter suggests, especially requires attention to what Anne Haila refers to as 'the special characteristics of land'. Yet, of course, theory can only get us so far; it can inform inquiry and help interpret findings, but as Haila says, land's significance cannot ultimately be understood at the level of abstraction, but only by analysing the 'real processes through which land is used and invested in'.[1] Analysing these processes is what the rest of the book does.

Where Chapter 1 provides the requisite conceptual anchoring, Chapter 2 provides historical context. Privatization of public land in Britain under neoliberalism clearly did not proceed from, as it were, a blank slate. Britain has a long and complicated history of changes in patterns of landownership preceding those of the past four decades. Chapter 2 focuses on the most notable and salient of these, including the steady accretion, during the decades prior to Thatcher taking power, of much of the stock of publicly owned land that would subsequently be targeted for disposal. Knowing something about the history of the landownership question in Britain – its laws, its politics, its economics – is absolutely vital to coming to terms with the contemporary privatization story. After all, it created the literal raw material on which privatization's executors would, from the late 1970s, go to work. And, just as importantly, that history has shaped all aspects of post-1970s land privatization in practice: many of the ideas, regulations and customs that have been most material to this privatization predated the neoliberal era, even if some of them have mutated during it.

Chapter 3 then examines the abovementioned 'why' question. Why, according to those who have most vociferously and consequentially

championed the process, has it been deemed advisable or essential to privatize public land? What is 'wrong' with the state owning land? What is it that the private sector does with land that is considered positive, and that the state cannot or will not do? What benefits will land privatization putatively deliver? Throughout the neoliberal period, the impetus for privatization has come, as we will see, primarily from Whitehall – a metonym for the United Kingdom's central government administration – and thus it is on the arguments emanating from Whitehall, and shaping government policy on public landownership, that I chiefly focus. Just as it is necessary, where landownership in Britain is concerned, to understand what came before 1979 in order to understand what has happened thereafter, so too is it necessary to understand how those latter developments have been legitimated. The government's stated logics and rationales have not only discursively 'prepared' the land for sale; they have deeply coloured actual privatization patterns and practices.

Practices are the focus of Chapter 4. How has the land been sold? I mean this not just in terms of immediate practicalities – who has done the selling, how buyers have been identified, how prices have been set, and so on – but structural conditions of possibility. What new laws or regulations have been put in place to facilitate or require land privatization? What existing obstacles have had to be removed in order to smooth the process? How has land to be disposed of been distinguished from land to be retained? What guidelines or rules have individual public bodies disposing of land been expected to observe? As we will see, effecting land privatization has required of the government enormous concrete as well as discursive work. Land privatization, remember, is not one privatization, like the privatization of a state-owned telephony or electricity provider; it is, in Britain at least, innumerable individual privatizations by innumerable individual public-sector landowners, and its complexity and practical challenges are compounded accordingly.

Finally, in Chapter 5, I consider outcomes – what land privatization has led to. The chapter answers this question in four parts. The first considers the sheer scale of the programme. To the extent that we can reliably measure it (a not insignificant caveat), how much land has actually been privatized, where, when and from whose (which public bodies') holdings? The second part of the answer looks at what is currently left of the public estate in Britain that has not (yet) been sold – again, to the best of our ability to estimate these

remaining holdings given available information on the matter. Thirdly, I weigh the actual effects of privatization against the promises that the government has long imputed to it: in short, to what extent has land privatization delivered the benefits that successive administrations have said it would deliver? Finally, the chapter considers other outcomes. What, socially and economically, have been the principal consequences of land privatization, if not (only) those originally pledged by its proponents?

In addition to distilling the book's key themes and arguments, the Conclusion also does two other things. One is to return to the questions I asked at the outset of this Introduction: Why is so little known about this colossal privatization? Why has so little been done to contest or protest it? Armed with the book's findings, I attempt to provide an answer. The other is to challenge the reader to think: Where now? Land privatization in Britain is, or at least should be, a political issue of acute contemporary significance. For public land, as I emphasize throughout the book, is still being sold in vast quantities. Is this a 'good' thing? And if not, what, if anything, might now be done about it?

CHAPTER 1

A Special and Finite Commodity: Why Land and Landownership Matter

Why should we care who owns the land? Many, perhaps most, of us go about our daily lives without paying too much attention to the question of the ownership of the land we live, work, travel and play on. Who owns the park where I play football, the road I drive on, the site of the office or shop or factory I work in? I would wager that few people know the answer to any of these questions as they apply to their daily comings-and-goings. Perhaps the only space whose ownership we consistently do pay attention to (in fact, that we obsess about) is the domestic space: Do I own or rent the home I live in and the ground it sits on? But landownership, I want to argue, really matters, and not only where housing is concerned. We need to think much more closely about who owns the land. Indeed, we need to think more closely about what it even means to 'own' land. The idea that land can and should be owned is not a natural or timeless one, characteristic of all human societies and cultures. When, how and why did landownership become normalized, a taken-for-granted social convention that is so thoroughly ingrained, at least in Western societies, that we seldom notice, let alone question, its particularities?

In addressing the issue of why and how landownership matters, this chapter sets the stage for those that follow, where I offer a close and critical

examination of the fate of public land in Britain in the neoliberal era. Why undertake that extended examination? Why spend so much time exploring what some might consider an intellectually and/or politically marginal concern? This chapter explains why, from first principles. Drawing on the work of influential thinkers and writers on land and landownership, whose insights have been gleaned from inquiry into wider histories of capitalist social formations, I show land's theoretical significance. Political-economic theory, in particular, tell us that landownership does indeed make a difference: it is highly material to capitalist social and economic development. Hence the impetus to consider that materiality in a particular historical–geographical context.

Political-economic theory not only serves as a useful provocation. Perhaps more importantly, it also provides a helpful guide. This is not to say that it tells us exactly what we will find when we examine the empirical record: the case of land privatization in neoliberal Britain, as we will see, while strongly exhibiting some of the tendencies that political-economic theory associates more generally with private landownership and its increasing prevalence, exhibits other such tendencies much more weakly or not at all – it represents, like all empirical cases, a unique manifestation of wider, theorizable tendencies, expressing them in varying measures. The theory does nevertheless suggest what kinds of questions it might be most productive and important to ask of the empirical record. The theory discussed in this chapter therefore both inspires and informs the historical–empirical investigation in the rest of the book.

The chapter is divided in two parts. The first, shorter section answers the chapter's most general question – Why does landownership matter? – at a generalised level. The second, also drawing on political-economic theory, answers a more focused question: Why should we be interested in the specific development – declining levels of public landownership, and a corresponding increase in private ownership – that the rest of the book describes for neoliberal Britain? What does the theory tell us about the respective characteristics and effects of public and private landownership? What does it say about the typical implications of land privatization? And what, crucially, does it offer up in terms of solutions to any perceived negative outcomes of privatization?

Why Landownership Matters

Sometimes we look to great 'thinkers' to tell us why things matter. That is what I will mostly be doing in this chapter; you will read lots about the ideas of famous political-economic theorists like Adam Smith, Karl Polanyi, Thomas Piketty, and others. But at other times people we do not necessarily perceive as 'thinkers' happen to cut to the chase far more successfully. A factory worker will naturally have privileged insight into the real workings of capitalist production. Similarly, a farm or council-house tenant will know much of what is most important about the social and economic relations entailed by landownership and use under capitalism, even if she does not use those terms. And the owner of the land will clearly have insight into those property relations, too.

To the extent that the privileges of landownership – and landownership, let us be very clear, is a privilege – are often exorbitant, landowners tend to be rather shy about publicly exulting in them and explaining how they arise. They tend to keep silent, preferring to remain in the shadows, quietly reaping their benefits, lest anyone threaten those benefits. But sometimes, in moments of unguardedness or hubris, they let things slip. They tell the world exactly how much landownership matters, and why. And one such moment, as Kevin Cahill has shown, occurred in 1881. Revelling in his own ownership of nearly 30,000 hectares, making him one of Britain's largest landowners and richest men, the 15th Earl of Derby, Edward Stanley, explained the significance of landownership in terms as sharp, succinct and striking as any celebrated theorist has arguably ever managed:

> The object which men aim at when they become possessed of land in the British Isles may, I think, be enumerated as follows. One, political influence; two, social importance, founded on territorial possession, the most visible and unmistakable form of wealth; three, power exercised over tenantry; the pleasure of managing, directing and improving the estate itself; four, residential enjoyment, including what is called sport; five, the money return – the rent.[1]

There you have it, more or less, in a nutshell.

In this section, therefore, I will take my initial cues from Stanley.[1] What is the importance of landownership? It is primarily fivefold. In no particular order, it comprises: political influence; power; income; wealth; and pleasure. But it is not only those things. While I proceed from Stanley's list, I fill in

along the way some of the inevitable gaps that he left. One, for example, concerns the importance of land (and thus its ownership) as a place politically to protest. It is not surprising that the earl ignored this particular land use. As an extraordinarily privileged landowner, he had very little to protest about. Those excluded, on the other hand, by processes of enclosure, historical or contemporary, have not been so fortunate.

Land and political influence

In Western societies (albeit certainly not only those), political influence has often been tightly bound up with the land and its ownership. The feudal system of socioeconomic organization that preceded the transition to capitalism was in many respects a perfect fusion of landownership and politics. 'Land, the pivotal element in the feudal order', Polanyi wrote in *The Great Transformation*, 'was the basis of the military, judicial, administrative, and political system'.[2] It was the singular 'thing' around which politics was organized. And land's significance to politics did not disappear with the advent of capitalism. It persisted, but in new forms. Political influence continued to be wielded disproportionately by landowners.

In many places this coupling was, and has since remained, overt and intimate. The landowners and the politicians (those holding office in government) were one and the same. Italy in the late nineteenth and early twentieth centuries represented a case in point. Dahlia Elazar describes the system then pertaining – nominally a liberal democracy – as 'political feudalism', in view of the 'political hegemony of Italy's propertied class'. The ruling Liberal Party essentially comprised a network of provincial governments dominated by landowning families. The majority of those serving in the Chamber of Deputies were thus landowners. 'Leading members of the propertied class', in short, '"composed virtually the whole body politic of the Italian nation"', Elazar explains, citing Charles Maier.[1] A comparable tangling of landownership and political power, as we shall see in the next chapter, also obtained (and endured much longer) in Britain – although there, the landowners' party was not the Liberals but, emphatically, the Tories.

Political influence has also often been yoked to landownership at a further remove, whereby the right to vote in elections is dependent on such ownership. Britain once again represents a striking example. The extension of suffrage through the first ('Great'), Second, Third and Fourth Reform Acts of

1832, 1867, 1884 and 1918 respectively was achieved in significant part by lowering the land and property ownership thresholds at which voting rights kicked in. Another famous example is the early United States. When the Constitution was ratified in 1788, suffrage required some form of property ownership, and typically a freehold claim, in nearly all the states. As Jacob Cogan notes, the importance of freehold was that it signified a permanent interest in the community.[2] Landownership more generally was strongly associated with independence and moral virtue; it was central to the so-called Jeffersonian Myth.[3] President John Adams, for instance, opined: 'Such is the frailty of the human heart, that very few men, who have no property, have any judgment of their own.'[4] Only the propertied, it followed, should get a vote. And although property restrictions on suffrage were phased out across most US states early in the nineteenth century, similar restrictions lasted considerably longer elsewhere – and not only in Britain. In Italy, they were not removed until 1911.[5]

Yet, even with the formal decoupling of suffrage from land or property ownership, such ownership has remained highly material to political influence. For one reason or another, in most Western societies it has continued to be the case that landowners influence elections, politicians and political decisions more than non-owners do. This disproportionate influence takes multiple forms. Landowners often represent a powerful and coordinated political lobby, with deep pockets and prominent patrons; no single event of the twentieth century, for instance, caused more concern to major Scottish landowners than the establishment of the Scottish Parliament in 1999, because, as Andy Wightman says, 'they could no longer directly influence legislation in the way that their supporters in the House of Lords had been able to do'.[1] More generally, politicians go out of their way not to alienate property owners, doing everything in their power, for example, to prevent land prices, and thus house prices, from falling. And they do so partly because they know that owners wield particular power at the ballot box. Owners typically vote more than non-owners do: in the 2011 Canadian federal election, for example, the proportions of home-owners and renters voting were 71 per cent and 54 per cent, respectively; in the 2008 US presidential election, they were 68 per cent and 52 per cent.[2]

Land and power

‘As land changes hands’, writes George Monbiot, ‘so does power.’[3] Earl Stanley knew this well. And while the political influence occasioned by landownership is certainly one form of the power that ownership confers, it is not the only one. The land–power nexus is multiply constituted.

Perhaps the key point is that ownership of land confers power over both resources (those found on and under the land) and, in various ways, people and institutions (those who do not own the land). As an owner, one has the right to do with one’s land and its resources as one sees fit, although this right is normally circumscribed in various ways by the state – one example being the common requirement to secure permission, typically through a planning system, to develop the land. And one also has the right to dictate the parameters of others’ access to the land. Again, this right is sometimes circumscribed; in Sweden, where I live, for example, the traditional right of *allemansrätten* provides the public with certain rights to private land in the countryside – to travel across it, temporarily camp on it, and pick berries, mushrooms and some other plants from it. In general, however, landownership enables the owner to exclude people – to keep them off the land. And it provides the power to set the terms and conditions of permissible access and use.

This power of inclusion and exclusion is enormously consequential. The reason is obvious. We, as a society, need land for all sorts of reasons. We need it for leisure and pleasure (Stanley’s ‘residential enjoyment’ and ‘sport’), to which I return below. We need it as a place to exist politically: land provides space for collective, visible, political struggle and protest. We need land to live on – in other words, for shelter; and as I will show in this book, the availability (or otherwise) of land for housing is an issue of the utmost importance in contemporary Britain. And we need land to reproduce ourselves successfully as a society. This is not just a question of food production. It relates more broadly to the fact that land is an input, of varying degrees of significance, to almost all economic processes. Alongside labour and capital, it is what economists call a ‘factor of production’, one of the essential ingredients that makes productive economic activity – and hence social reproduction – possible in the first place.

All of this means that the power invested in landownership is momentous. In mediating terms of inclusion and exclusion, of access and use, landownership confers the very power to shape and facilitate, or alternatively constrain, the social, economic and political development of communities,

regions and nations. The word ‘enclosure’, so often invoked with reference to landownership, specifically evokes closure and constraint, and that is the reason I use it. My argument is that the privatization of British public land since the early 1980s has actively closed down and constrained practices and possibilities of social, economic and political development. The power embodied in landownership, that is to say, has been mobilized in increasingly negative ways as the land has progressively been privatized. ‘Enclosure’ is precisely the negative operationalization of landed power.

But the word ‘enclosure’ more commonly refers to an earlier period of changes in the land-and-power nexus, especially in Britain (see Chapter 2). Concentrated in the period from the early eighteenth to mid nineteenth centuries, the enclosure movement in Britain demonstrates as strikingly as any episode in Western history the wide-ranging power that comes with controlling land. It saw the extinction of the traditional rights to access and use open fields and waste land enjoyed by ‘commoners’; the fields were literally enclosed, the included masses abruptly excluded. And with those rights, Britain’s commoners lost the very ability to sustain and reproduce themselves and their families that the land had traditionally afforded. They lost, in short, one of only two factors of production they had possessed. With access to the land denied to them, Britain’s millions of commoners now had only one factor remaining to them to deploy: their labour.

Land and income

What did Britain’s ejected commoners do? Stripped of their common-land rights, many, perhaps most, moved to the nation’s rapidly growing industrial cities and sold their labour to industrial capitalists, working for a subsistence wage in factories. For those who remained in the countryside, however, new relations to the land had to be forged. In his magnificent book *Whigs and Hunters*, the late E. P. Thompson described one outcome. Some people, such as the famous ‘Blacks’, resorted to poaching game, including deer from forestland, in defiance and in defence of their traditional use-rights. ‘What was at issue’, Thompson said, ‘was not land use but *who* used the available land: that is, power and property-right.’[1] Others, meanwhile, continued to work the arable land. But now they did so not equipped with common rights of access, but legitimized by a very different legal contract: a tenancy agreement. They became tenant-farmers.

Here again, Earl Stanley was on the money, and in more senses than one.

In a world of enclosure and private property, one of the crucial powers available to landowners is, of course, what Stanley called ‘power exercised over tenantry’. These tenants might be farming tenants, as in my example, but they need not be; they can be commercial tenants, leasing an office or factory space; they can be residential tenants, leasing a house or apartment. But the crucial consideration is that, whatever type of tenants they are, the landowner’s power over them is generally expressed, in a capitalist system, through economic dues. As Stanley himself said, this was another primary reason for owning land: ‘the money return – the rent’. Power is nice; the spoils of power arguably even nicer. And Stanley knew. His annual income, according to Cahill, was some £163,273, or in the region of £20 million in today’s prices.[1]

Writing in 1844, Karl Marx recognized exactly how central income-generation had already become by that stage to Britain’s landowning classes (in Chapter 5, we will consider its significance to their successors today). ‘Large landed property, as we see in England, has already cast off its feudal character’, Marx observed of Stanley and his ilk, ‘and adopted an industrial character insofar as it is aiming to make as much money as possible.’ Rent is the name given to this income, the monetary manifestation of the particular capitalist relation between landlord and tenant. Marx noted, too, that this relation, and hence the rent it crystallized, was shot through with relations of power, and often contestation. Rent is not an abstract price settled in the disembodied register of mainstream economics. It is an altogether worldly, messy, negotiated outcome. ‘The rent of land is established as a result of *the struggle between tenant and landlord*’.[2]

What gave and gives the landowner the ability and right to charge a third party rent for using her land? In the most immediate sense, the law does. But the more fundamental answer is a combination of power, geography and scarcity. Without the power to exclude, as enforced by the law and the forces thereof, rent would be inconceivable. But the power to exclude would itself be for little if land was infinitely abundant. Land is finite – or, as the famous quip variously attributed to the great American humourists Will Rogers and Mark Twain has it, ‘They’re not making any more of it’ – and this finitude buttresses rent. Yet even though it is finite, and, under capitalism, subject to excludability, not all land generates a positive rent. Why? Because of geography. Location, location, location, as real-estate agents like to say. In view of variability in the attractiveness of land to potential tenants in both

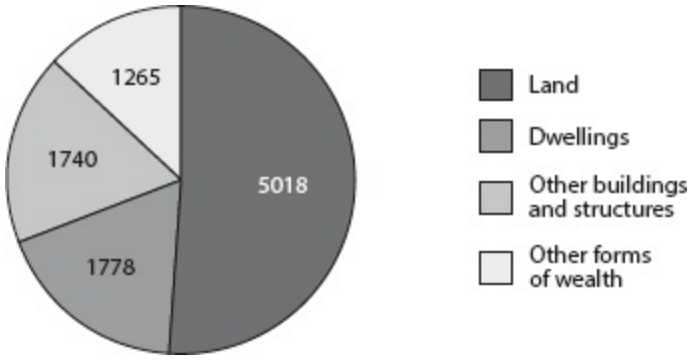
absolute terms (such as soil fertility) and relative terms (such as accessibility to local services), income from landownership varies greatly, and is sometimes not achievable at all.

Land and wealth

In most countries, the single largest component of personal wealth is reported to be property, primarily residential property – that is, housing.[1] But what many (perhaps most) people tend not to appreciate is that, when they buy housing, not only are they usually also acquiring the land on which the property sits, but this land typically accounts for a significant and often a majority share of the purchase price. Brian Green estimates that, in England, the average proportion of the sale price of residential property accounted for by land has increased from as little as 2 per cent in the 1930s to in the region of 70 per cent today.[2] In the most sought-after locations, like central London, it can be even higher. And sometimes, of course, it is effectively more than 100 per cent: people will buy, and pay to demolish, a property, just to get their hands on the land beneath it. No wonder Colin Wiles, like many others, insists that land 'is the single most important issue in English housing today'.[3]

In the United Kingdom, the significance of land value to housing value – and thus, in turn, to total wealth – was brought home with especial clarity in late 2017, when, for the first time, the Office for National Statistics published figures for the estimated value of land (a 'non-produced' asset) separately from other (produced) national assets. The figures were extraordinary (see Figure 1.1). Land, valued at £5 trillion, accounts for over half of total UK net worth. Buildings on land were valued at considerably less – £3.5 trillion in total, with residential and non-residential buildings accounting for roughly equal shares. The value of all other forms of wealth collectively, meanwhile, totalled a meagre £1.26 trillion, or just 13 per cent of total national net worth. In proportional terms, in other words, aside from land and property – the object of our enquiry in this book – there really *is* not much of any monetary value in the contemporary United Kingdom, which is a somewhat sobering thought.

Figure 1.1 UK net worth by type, 2016 (£ billion)



Source: Office for National Statistics

Another key reason that landownership matters, then, is simply that land is wealth; to own it is to be enriched, to one degree or another. But the question is: Why, or how? Marx, as it happens, wrestled long and hard with this question. Intuitively, it did not make sense to him. He believed that value always inheres in commodities. But, as Keith Tribe remarks, 'the condition of existence of a commodity is', for Marx, 'that it be the product of human labour' (thus Marx's was, says Tribe, an anthropological concept of the commodity). And land is not the product of human labour; ergo, it is not a commodity, and cannot embody value. Yet it does bear price – people do pay for it. The Marxian paradox, then, was that 'land bears a price but has no value'.[1] As we will see in due course, Polanyi wrestled with a very similar paradox where land's commodity status was concerned.

The fact that these great thinkers struggled so heroically with questions of land and value is most important for what it signifies, which is the fact that land has always been pivotal to capitalism and its signature economic dynamics. To wit, capitalism's (and capitalists') *raison d'être* is accumulation, and accumulated wealth is widely held in land. And it is actually not hard to see why land is valuable. Indeed, we have seen one explanation already: courtesy of its finitude and legal excludability (Tribe writes about the positive price of land resulting from 'a juridic intervention'), land can generate income for its owner through the simple mechanism of selling use rights.[1] This in turn signals a broader, more generalized reason why people and institutions are prepared to pay for land. As already noted, we all need land – as individuals and as a society. And under capitalism, what we need, we must generally pay for – with certain exceptions, most notably so-called 'public goods' (discussed below).

But there are of course other things about land that support its price-bearing role. Most materially, it is an ideal vehicle for both the storage and distribution of value. Certainly, it is finite, but it is also ubiquitous, making it fungible at essentially a universal scale; and capitalism thrives on scalable fungibility. Unlike similarly fungible assets – money, say – it is neither replicable nor susceptible to counterfeit. And this, combined with a solidity and permanence that more or less all other assets lack, means that it does not depreciate or inflate away. All of these features, moreover, underwrite the fact that land is bankers' favoured form of collateral: collateral is security pledged for payment of a loan, and land is, in all senses of the term, secure. It endures. And through its functioning as collateral, crucially, land-as-wealth helps beget further wealth. In mobilizing land as collateral for credit, which can be used to finance the production of goods and services, 'the West', argues the economist Hernando de Soto, 'injects life into assets and makes them generate capital'. This, for de Soto, constitutes the eponymous *Mystery of Capital*.[2] Last but not least, land is readily divisible, as any locus of capitalist wealth-embodiment must be, lest wealth not be distributable, measurable, and able, in Marx's words, 'to fluctuate, to decrease and to increase, to fly from one hand to another'. As Marx also says, 'private property rests altogether on partitioning'; and since capitalism's earliest days, land, in its divisibility, has represented privatizable property par excellence.[1]

Land and pleasure

Lest we forget, however, land is not only about economy, and landownership is therefore also important other than for strictly economic considerations. One such – political influence – I have examined already. And I briefly mentioned another: land's (and thus landownership's) importance for the purposes of society's leisure and pleasure. Those who own the land, in essence, get to enjoy the land, and to decide who does and does not get to enjoy it along with them, and under what conditions.

Polanyi is one theorist of land and landownership who explicitly recognized the extra-economic dimensions to land's significance. 'The economic function is but one of many vital functions of land', he noted, continuing, waxing almost lyrical: 'It invests man's life with stability; it is the site of his habitation; it is a condition of his physical safety; it is the landscape and the seasons. We might as well imagine his being born without hands and feet as carrying on his life without land.' And so what Polanyi

called ‘the economic argument’ needed to be expanded to ‘the conditions of safety and security attached to the integrity of the soil and its resources – such as the vigor and stamina of the population, the abundance of food supplies, the amount and character of defence materials, even the climate of the country which might suffer from the denudation of forests, from erosions and dust bowls, all of which, ultimately, depend upon the factor land’.[2]

One contemporary writer who argues that the capitalist institution of private landownership matters insofar as it enables the exclusion of people from land’s enjoyment is Martin Adams. Adams cites a famous line of Rousseau’s: ‘You are lost if you forget that the fruits of the Earth belong to all and that the Earth belongs to no one.’[1] As in many other discussions of land as a source of pleasure, Adams tends to equate land with Nature. Polanyi arguably did the same, noting that ‘land is only another name for nature’.[2] On this way of thinking, land is national parks, the wilderness, the uninhabited environment. But this is a mistake. Land is clearly not (always) original nature. In fact it very seldom is. And even where it is not, it still allows enjoyment. Land is the great outdoors, whether built upon or not. Land is air, fresh or otherwise. Land is simply divisible space – space to walk on, run across, play or protest in. This is why landownership matters. It arbitrates access to, and enjoyment of, space, air, the outdoors. Land provides room, and to some extent freedom, such as the freedom to roam. Land encourages mobility.

Still, Polanyi’s points about ‘the integrity of the soil and its resources’ and ‘the denudation of forests’ should not be gainsaid. They are important. His worry of course is that land – the environment – becomes despoiled. And clearly landownership is relevant here, too. In deciding, within the bounds of state oversight, how and by whom her land is used, the landowner shapes all of our ecological, as well as social, economic and political futures. I could have made this observation at more or less any point in this section, but this seems as good a place as any: our use of the land for enjoyment, as well as economic production, has ecological implications. Landownership always intermediates these effects. That it does so is, in fact, the central claim of one of the most famous interventions in the literature on environmental management, Garrett Hardin’s famous ‘tragedy of the commons’ thesis.[3] Hardin claimed that holding land communally tends to have tragic ecological consequences because individuals lack incentives to use the land sustainably.

I will say no more here about that thesis, or counter-arguments to it. It resurfaces in Chapter 3.

The Privatization of Landownership

For the remainder of this chapter, I move from the question of landownership and its importance generally to questions of public (state-based) and private landownership more specifically. I do so for an obvious reason: to provide a theoretical foundation from which to examine the recent historical shift in Britain away from public and towards (more) private landownership. What does the literature on land and landownership say about private and public landowners and the characteristics of their respective modalities of land stewardship?

First, though, some important words of contextualization and qualification. None of what follows is intended to suggest that 'public' and 'private', as applied to landownership, are cohesive or even necessarily always meaningful categories. For one thing, a huge amount of variety is contained within each: 'From the individual homeowner to the insurance company in one, and from nationalized industries to the Ministry of Defence in the other', as Doreen Massey observed of the British landownership landscape before the nationalized industries were themselves largely privatized.[1] In her relation to and use of her land, an individual homeowner may have more in common with a public-sector landowner than with the insurance company of Massey's example. 'Private' contains multitudes, and so does 'public'; neither category is undifferentiated, and neither refers to styles of landownership completely foreign to the other.

It is crucial, therefore, not to reify ownership status, to suggest that 'public' ownership always signifies one type of relation to the land and 'private' always another type. As Massey insisted, the question of who owns the land is perhaps less important than how and why: What does ownership mean and enable for the owner? If public land is privatized, the change may be of marginal consequence if the new owner behaves just as its predecessor did. Similarly, nationalizing private land changes little if the state simply uses the land in such a way as to attempt to maximise financial returns. What matters, in short, is the rationality of the landowner. Is this rationality what we tend to think of as a public-sector, socially oriented rationality? Or is it

more akin to a stylized, profit-oriented, private-sector rationality? It is these rationalities that I am primarily interested in in this chapter, and it is these, as well as formal ownership status, that I denote with the labels ‘public’ and ‘private’. Massey’s key contribution was to show that public ownership only means something different from private ownership *if it is allowed to*.[1] At a time today when, as Aditya Chakrabortty recently argued, the British public appears to have largely lost faith that public ownership – of land or of anything else – really does mean anything different, one cannot repeat this truth often enough.[2]

Briefly stated, the argument I make in the following pages is as follows. The political economy literature contains a wealth of insight into the common implications under capitalism of land being held publicly, or privately – by actors demonstrating, respectively, public-sector or private-sector rationalities. It shows, furthermore, that private landownership is associated with numerous significant problems. And, crucially, it also shows that, as the extent of private landownership increases – which is to say, when, in a society with a mix of public and private landownership, land is progressively privatized, as it has been in neoliberal Britain – these problems tend to deepen. I examine these questions under four interrelated subheadings: market failure; iniquity and inequality; economic disorder; and social dislocation.

Market failure

What role should the state have in our lives? Few questions evoke such a wide range of opinions, or the expression of those opinions in such vehement terms. It would be nice to be able to ignore the question, given the range of intractable issues – political, economic, cultural – it entails, but unfortunately we cannot. The question of public landownership clearly relates at some level, albeit not in a simplistic fashion, to the question of public-sector powers and responsibilities other than the power, or responsibility, of landownership itself. In a free-market, laissez-faire scenario, after all, why would government need to own land? It would not. Private-sector actors, pursuing their own rational self-interest through competition in markets, would be charged with ensuring society’s economic growth and welfare. Government would be (very) small; so would be its need for land.

But despite the claims of political-economic libertarians such as the late Murray Rothbard, few significant theorists of capitalism would suggest that

all services can be effectively provided, or should therefore be provided, by the private sector. ‘The market’, understood here as an aggregation of private-sector actors whose relations are mediated purely through the price mechanism, sometimes ‘fails’. It is ill-adapted to providing some types of services, failing to do so adequately when given the task. Those services, theorists suggest, should be provided by the state, as they often have been in the past.

Adam Smith’s thinking has long been a touchstone in this regard. Widely considered the father figure of laissez-faire economics, Smith nonetheless saw a critical need for an interventionist state in certain vital areas of social and economic life – so much so, in fact, that Rothbard would later dismiss him as no less than ‘a necessary precursor of Karl Marx’.[1] (Don’t tell the Adam Smith Institute.) For Smith, two key criteria determined whether the state was better positioned than the private sector to provide a particular service. One was that the service be in the public interest – although, as David Reisman notes, Smith failed to explain how ‘public interest’ was to be defined, or by whom.[2] The other was that the service be unattractive or ill-suited to the private sector, for instance because its provision necessarily took the form of a natural monopoly.

Most of Smith’s examples of appropriate areas for state intervention involved market failure as a failure of supply – a matter of the private sector, for one reason or another, not being up to the task – and three were highlighted. The first was national defence. The second was justice. And the third was so-called ‘public works’, including, notably, infrastructure: ‘roads, bridges, navigable canals, harbours’ and so forth – necessary, Smith reasoned, to ‘facilitate the commerce of any country’.[1] But some of his examples entailed the market failing due to what Smith perceived as deficient demand. Education was one such example. Smith, Reisman explains, argued that the state had to take on a pedagogic function in view of ‘the failure of “the labouring poor, that is, the great body of the people” to demand even a modicum of schooling’.[2]

So let us assume for the sake of argument that the state should handle at least some of these functions identified by Smith. In reality, of course, the state under capitalism has in certain times and places taken on all these and more – the post–World War II Keynesian welfare-state regime being the exemplar – while in others, most notably the neoliberal period, it has shed

many – including large chunks of infrastructure provision.[3] But it has always retained some, including most of defence and education.

Crucially, all these areas of state responsibility require land. Indeed, some of them, like defence and infrastructure, need a large amount of land. Does this mean that the state needs to own the land required for the provision of these and other public services? Not necessarily, no. It could lease the land from private-sector owners. But competing for leasehold land in a competitive tenancy market would provide no guarantees of getting the right land in the right location, and still less of securing the land on reasonable terms or of retaining the land at the end of the agreed tenure period. It would militate against precisely the security, certainty and visibility that the public sector requires of its asset base in carrying out these indispensable functions. The market does not offer guarantees; that is not in its nature. Consider by way of analogy the market for land for purchase as opposed to lease. Does the state always get the land it needs in that market? No. That is why the legal systems of modern capitalist societies have generally included provisions for the state to acquire land – through expropriation or, in Britain, 'compulsory purchase' – against the will of existing landowners where compelling public-benefit or public-use purposes can be demonstrated. If the explicit ownership of land is not strictly necessary for the state to dispense public services, then, some sort of major structural intervention in markets for land always is.

In any event, market failure as an argument for public landownership is not just about land as a facilitative asset for the fulfilment of state functions. There is also the question, alluded to at the end of the previous section, of land as itself a service of sorts. Land, after Polanyi, as 'nature' for all, as space to take pleasure from, or indeed to protest on. Why should we expect private ownership of land to deliver the widely accepted public service of access to the land in its various forms – to forests and parkland, and to the courtyards, pavements, bicycle lanes and piazzas of the urban environment? In particular, why should we expect private landowners to offer this service to everyone – including those potentially unable to pay for it?

We should not. John Krutilla and colleagues explained why in an insightful essay, written more than three decades ago, on a specific stock of public land that has itself been in the news recently as a potential object of massive privatization: US federal lands.[1] The essay makes two cogent arguments about failure in land-use markets – concerning exclusions of uses and people, respectively. In the case of the former, the authors show that

landowners can make decisions that are ‘rational’ (to them) but which exclude certain uses that would provide more aggregate benefit to society. ‘Picture a case’, they say, ‘in which the attributes that lead the government to try to preserve some natural wonder can be enjoyed by viewers located outside the boundaries of the park in which it is contained. In that case, owners of the adjacent land benefit from the park’s existence without payment to the government.’ But what happens if the state is not the owner?

> If the park were turned over to private ownership, the private owners also would be unable recapture the full value of the resource in fees. Faced with that fact, private owners might respond by finding a different use that would increase the benefits they could appropriate, such as clear-cutting the timber on the land. While the change could conceivably increase their returns as owners, it would lower the total benefits to society because it ignores the value of the benefits that the private owners could not appropriate.[1]

The journalist Anna Minton has made a similar point in worrying about the loss of vital urban land uses and concomitant public benefits that markets and market operators, in privileging financial returns (and the land uses which maximise them), fail to provide. Today’s urban developers, she says, are ‘too narrowly focused simply on creating places which generate maximum returns in terms of shopping and spending. But while economic viability is important, successful places must be about more than a balance sheet, or they will fail to connect with local communities’.[2]

Similarly, it is clearly possible, perhaps even inevitable, that private landowners will sometimes ‘rationally’ exclude some of those people who could – and, moral philosophers might say, should – benefit from the ‘service’ furnished by, for example, land-as-nature. This, Krutilla and colleagues explain, is because ‘the on-site amenities provided by such unique natural environments as Old Faithful, the Grand Canyon, or the rain forests of the Olympic National Park’ (all of which are federally owned) are classic public goods, whose consumption by one individual does not in principle preclude consumption by anyone else. The same is of course true of urban public spaces. The greater the number of people that get to enjoy this ‘good’, the greater the overall benefit; but markets are simply not designed to maximize in this way. They are, in this context, an inefficient solution. Why?

> The contribution that markets make to efficiency rests on their ability to ration scarce resources to their highest valued uses by excluding all the bidders who were

> unwilling or unable to pay the market price. However, in the case of pure public goods the exclusion of anyone reduces the aggregate welfare realized from them. Thus, the market's rationing feature tends to reduce rather than increase benefits that potentially can be derived from public goods.[1]

Markets, in short, are about rationing and exclusion – and sometimes these mechanisms are simply not called for, including in the context of landownership and use. Some land, urban as well as rural, should be available to everyone to use.

The more the land becomes privatized, the more problematic, *ceteris paribus*, become the failures in land-use markets and concomitant exclusions. Such failure would likely be relatively insignificant to society if only a fraction of the land were privately owned. But since private landownership is a pervasive feature of most contemporary capitalist societies, land-use market failure is a pervasive problem. While various manifestations of this problem have been discussed, perhaps the most notable is the frequently diagnosed 'end of public space' in modern cities.

The geographer Don Mitchell writes, 'The end of public space in the American city is its privatization.' I would turn this formulation around: privatization of land heralds the end of public space, if by 'public space' we mean, like Mitchell, 'a space representative of, and conducive to, the "public" that had been created in the Keynesian era'.[2] Studies have found that, where it ensures that access to urban space is genuinely open, public landownership continues to contribute materially to social well-being and to a region's 'liveability'.[3] Mitchell's particular contribution, meanwhile, is to insist that public space has a pivotal role in making not just liveable but 'more or less just' cities. Consider one striking example: the urban homeless. The crisis of homelessness is a crisis of public space because, as Mitchell, after Jeremey Waldron, writes, 'homeless people [can] only *be* – that is live as humans – to the degree they [have] access to public space'. So, if Mitchell is right that 'the end of public space is always a *tendency* (though definitely a contradictory one) within capitalist urban economies' – and insofar as the state facilitates, or refrains from inhibiting, that tendency, Mitchell is surely right – then we have every reason to worry about the justice-related and liveability outcomes.[1]

Iniquity and inequality

Adam Smith's views on legitimate areas for state intervention were by no means the only beliefs of his that would prove problematic for later generations of free-marketeers. Another topic on which he held decidedly awkward views was concerned more explicitly still with land and landownership – namely, rent: the income generated by landowners from selling use-rights. For Smith, there was something deeply iniquitous about rent. A Presbyterian, he adhered to the Protestant work ethic, and saw landlords as a class that reaped rich rewards for zero graft. Their rental income, he said, 'costs them neither labour nor care, but comes to them, as it were, of its own accord, and independent of any plan or project of their own'. Still, he did not necessarily blame landlords for their 'indolence'. He understood it. Landlords' indolence was logical, 'the natural effect of the ease and security of their situation'.[2]

Smith's belief that rent was money for nothing was shared by essentially all significant nineteenth-century economic thinkers. David Ricardo agreed with him (landlords were 'parasites'). So did Marx ('the landlord exploits everything from which society benefits').[3] And so too, notably, did thinkers whom we associate today with altogether different ways of understanding the economic world. Perhaps most interesting here is the late nineteenth-century French economist Léon Walras. Walras is lionized today as one of the founders of what in the twentieth century became the disciplinary mainstream – that is, neoclassical economics. He was a pioneer of both marginalist thinking and general equilibrium theory, two essential pillars of orthodoxy. But, as Keith Tribe has recently discussed, Walras was a social reformer, believing, like his father Auguste (himself an accomplished amateur economist), that private landownership and the rents it generated constituted a rigged, unjust system. Indeed, Léon 'adopted his father's views about landownership … from the very first'. What was the crux of those views? That, in Tribe's words, 'man', being 'ephemeral, mortal', was not 'capable of possessing the land', which was 'indestructible and eternal, permanent and perpetual'; and hence that 'landed proprietors lived off rents that belonged not to them, but to everyone'.[1]

The conviction that rent was both unfair (generated from land rightly belonging to everyone and no one) and undeserved (realized without the application of productive labour) raised two crucial sets of questions for these thinkers. The first was pondered most deeply by Marx: Why on earth was the system of private landownership allowed, specifically by industrial

capitalists? This issue genuinely puzzled him. The industrial capitalist, the bourgeois, represented the ‘dominating functionary’ in industrial capitalism. Meanwhile, the landowner, ‘such an important functionary in production in the ancient world and in the Middle Ages, is a useless superfetation in the industrial world’.[2] Yet despite this uselessness, the bourgeois not only tolerated the landowner’s existence but shared with her (and with bankers) the surplus value produced by workers, which was apportioned between rent, interest, and profit of enterprise. Why? Why not do what Marx thought the dominating industrial class should logically do, which was to turn privately owned, partitioned land ‘into the common property of the bourgeois class, of capital’?[3] Marx advanced a couple of possible explanations. One was that capitalists worried an attack on one form of private property (property in land) might ‘cast considerable doubts’ on the institution of private property more generally. The other was that ‘the bourgeois has himself become an owner of land’; in other words, Marx espied ‘the abolition of the distinction between capitalist and landowner, so that there remain altogether only two classes of the population – the working class and the class of capitalists’.[4]

In this sense, Marx’s critique of private landownership was, and remains, much more radical than is generally allowed. It is typically seen as a critique of capitalism, specifically from a socialist perspective. But it was not that, or at least not first and foremost. Lenin later made this exact point, in attacking the ideas of a local socialist movement that had interpreted Marx in this – to Lenin, erroneous – fashion: the Russian Narodniks of the 1860s and 1870s.

> The Narodnik thinks that repudiation of private landownership is repudiation of capitalism. That is wrong. The repudiation of private landownership expresses the demands for the purest capitalist development. And we have to revive in the minds of Marxists the ‘forgotten words’ of Marx, who criticised private landownership from the point of view of the conditions of capitalist economy.[1]

Lenin was right. If Marx thought that private landownership was inappropriate to socialism, as of course he did, he also thought that it was inappropriate to capitalism, and this was the principal thrust of his critique. ‘Pure’ capitalist development would see private property communalized by the capitalist class, thus obviating the need to pay rent.

The second question provoked by the perceived unfairness and undeservedness of land rent, then, was – and is – what should be done about it. We have already hinted at Marx’s answer, which was communalization of

land, ideally not by and for the capitalist class (the 'purest' capitalist solution) but by and for a revolutionary communist state: in other words, land nationalization. Indeed, this was his and Engels's very first demand in *The Communist Manifesto*: 'Abolition of property in land and application of all rents of land to public purposes.'[2] As this statement suggested, land rents, of a kind, would continue; but they would not be private rents, and nor therefore would the fruits of these rents be privatized. Tenants would instead pay them to the state in the form of a tax.

As with his position on rent, it is vital to recognize that Marx's views on what to do about landownership were by no means extraordinary for the day, even if his views on what to do about capitalism more generally were. In the West, land nationalization has in recent times come to be seen as a radical, almost inconceivable policy idea; but in the nineteenth century, it was not. Among many others, both Walrases – father and son – agreed with Marx, although they certainly did not mention this particular congruence. Both were vocal and persistent advocates of land nationalization. Auguste, 'not content with the weakening of landed proprietors', called for them to be 'completely eliminated'.[1] In place of an iniquitous system of private rents, Walras championed precisely the type of centralized landownership and tenure taxation arrangement we find in *The Communist Manifesto*: 'all rental payments', as Tribe relates of the Walrasian vision, 'should go to the state'.[2] For Walras, such an arrangement would not only mitigate the injustices of private rents. It would also do away with the need for all other taxes, such as income or capital gains taxes, 'providing a single yet adequate source for all government expenditure'.[3]

Despite the subsequent shifting of ideational tides, comparable proposals continue to circulate today among thinkers on land and landownership. Consider Martin Adams's proposals. Adams emphasizes that he is not against exclusive use of land, just exclusive ownership – and hence the mechanism 'by which people unfairly profit from land'. He calls for land to be 'owned in common, even as it is privately used'. How would his proposals work? He envisages, like Marx and Walras before him, a leasing model. But land would be owned at the local community level rather than by a central state. And rather than paying taxes, those making exclusive use of the land would make financial 'contributions' to the community – a kind of reimbursement for exclusion. Adams uses the term 'community land contribution' to signal the

underlying philosophy that ‘land is a community good and that people ought to contribute to their communities if they choose to use it exclusively’.[4]

I am not interested here in debating the viability of Adams’s proposals – or indeed Marx’s or Walras’s or anyone else’s. The point is simply that, in addition to the problem of market failure, another reason why it matters whether land is owned privately or publicly is that, according to a range of influential thinkers on landownership under capitalism, a fundamental injustice is represented by the rents earned by private landowners; and, as we have seen, it is not as if alternative ways of arranging the ownership and exclusive use of land are unimaginable.

Furthermore, the perceived injustices of private landownership and its economic privileges run considerably deeper than the rent question alone. There is a second, no less important sense in which the financial gains realized by landowners are unearned, and thus unfair. This relates not to income (rents paid for the land’s use) but to capital gains (the increase in the value of land over time), which under capitalism are likewise generally captured entirely by the land’s owner (for some exceptions, see below). Critique of the so-called ‘unearned increment’ in land value is typically traced to John Stuart Mill, who observed that landowners become enriched simply through the ‘ordinary progress of a society … independently of any trouble or outlay incurred by themselves. They grow richer, as it were, in their sleep, without working, risking or economizing. What claim have they, on the general principle of social justice, to this accession of riches?’[1]

The ‘unearned’ increment in land value, to be clear, is that increase which is owed not to improvements to the land made by the landowner, but simply to the wider development of the economy at large. This is an important distinction. In crude critiques, capital gains earned passively by landowners tend to be lumped together with those brought about instead by owners’ active property improvements. One such crude critique was Winston Churchill’s. In a celebrated parliamentary speech in 1909, Churchill raged:

> Roads are made, streets are made, services are improved, electric light turns night into day, water is brought from reservoirs a hundred miles off in the mountains – and all the while the landlord sits still. Every one of those improvements is effected by the labour and cost of other people and the taxpayers. To not one of those improvements does the land monopolist, as a land monopolist, contribute, and yet by every one of them the value of his land is enhanced. He renders no service to the community, he contributes nothing to the general welfare, he contributes nothing to

> the process from which his own enrichment is derived.[1]

The problem with this statement – its critical lacuna – is that some landowners clearly do make some improvements to their land, thus contributing to the process from which their 'own enrichment is derived'. Not all of them merely 'sit still'. The tendency to lump together all increments as 'unearned' is in one sense understandable, because the two types – passive and active, 'earned' and 'unearned' – can in practice be very hard to disentangle. But, by any reasonable reckoning, they are not the same thing.

If anything, belief in the fundamentally unearned nature of many (if not all) privatized gains in land value is even more widely shared among economic and political thinkers than the parallel belief in the iniquities of land rent. It ranges across the entire intellectual and ideological spectrum. Writing in 2010, for example, Martin Wolf, chief economics commentator at the *Financial Times* and famed cheerleader for globalization, had this to say:

> In 1984, I bought my London house. I estimate that the land on which it sits was worth £100,000 in today's prices. Today, the value is perhaps ten times as great. All of that vast increment is the fruit of no effort of mine. It is the reward of owning a location that the efforts of others made valuable.

It might have been Mill himself writing. What Wolf refers to is, indeed, an economically extraordinary state of affairs: in contemporary London and south-east England more widely, owners of homes (and housing land) routinely 'earn' more from land and housing price appreciation than from their employment.[1] Noting that his enormous privatized capital gain was tax-free, Wolf admitted that he was therefore, despite himself, 'a land speculator – a mini-aristocrat in a land where private appropriation of the fruits of others' efforts has long been a prime route to wealth.' 'This appropriation of the rise in the value of land' was, Wolf concluded, plainly 'unfair: what have I done to deserve this increase in my wealth?'[2] Nothing, was the honest answer.

And the private appropriation of unearned increases in the value of land is not just unfair. It has, Wolf argued, 'dire consequences'. Where none of the capital gain accrues to the state, it is 'necessary for the state to fund itself by taxing effort, ingenuity and foresight'. Furthermore, such a system 'creates calamitous political incentives', which are clear to see for all prepared to see them: 'In a world in which people have borrowed heavily to own a location,

they are desperate to enjoy land price rises and, still more, to prevent price falls. Thus we see a bizarre spectacle: newspapers hail upward moves in the price of a place to live – the most basic of all amenities.' And, last but not least, 'the opportunity for speculation in land both fuels – and is fuelled by – the credit cycle'.[3] People borrow to speculate in the land market (which, as we have seen, is what the housing market, at least in Britain, increasingly is). We will return to the theoretical implications of this speculative behaviour below; Wolf's point was that the practical implications had recently struck home with particular force – namely in the shape of the 2007–09 land-and-housing-market-rooted financial crisis.

Is there a solution to this iniquitous system of unearned increments? Certainly. As with the rental question, land nationalization is one obvious answer for those of the belief, in Philip Kivell's words, 'that it is society which creates enhanced land values, and that the economic gain should therefore rest with the whole community and not, fortuitously, with the owner alone'.[4] And nationalization (or at least state-based communalization) of landownership specifically on the grounds of socializing land value gains is not, in capitalist society, just a theoretical nicety, a whimsical fantasy of idealistic political-economic theorists. It has been done, including in the capital city of the capitalist poster-child that is Australia. All land not only in Canberra but in the Australian Capital Territory more widely is publicly owned. And the decision that the state, not private individuals, should own the land was based precisely on the Millian logic. 'In the 1890s', relates Max Neutze,

> the political leaders planning federation were anxious to avoid in the new capital the land speculation which had occurred in the established cities … Edmund Barton, Australia's first prime minister, pointed out that the value of urban land results from the actions of the community as a whole rather than those of the individual landowner, and the increase in its value should therefore accrue to the community rather than to private owners.[1]

To this day, land in Canberra is leased by the Crown, and there is thus no land (ownership) market.

Neither is land nationalization the only possible solution. A tax on the 'unimproved' value of land – that is, the value of land minus its appurtenances – is another way to channel land-value gains to the wider society that generates them, and it has long been the recommendation of

choice for tackling the unearned increment problem, especially among economists. Adam Smith thought ‘nothing [could] be more reasonable’ than such a land value tax; Milton Friedman, inimitably, considered it the ‘least bad tax’.[2] Henry George, writing in the 1870s, is especially closely associated with the idea. Today, Wolf is one high-profile advocate; another is the Nobel laureate Joseph Stiglitz. The reason that economists – even, perhaps especially, those in the mainstream – are so enamoured of the idea of a land value tax is that it is, on their terms, efficient. It does not distort incentives, because the supply of land is effectively fixed. Again, a land value tax is not simply wishful thinking, a mere impractical fancy. More than thirty countries around the world, at various moments, have successfully implemented land value taxation.[1]

The rent and capital-gains-related iniquities widely imputed to capitalist private landownership matter quite simply because land, like all other assets, is unequally distributed. After all, it would not much matter that land-use rents and much of the appreciation in land value are arguably ‘unearned’ if everyone benefited equally from this undeserved boon. But obviously they do not. Some people benefit greatly; many benefit not a jot. And this is true in all capitalist societies where private landownership dominates. We will learn much more in the following chapters about the nature and degree of the particular landownership inequalities found historically and today in Britain, the territory of main interest to us. But we can briefly underline those inequalities here. Writing in 1978, on the cusp of the neoliberal revolution, Doreen Massey and Alejandrina Catalano offered a powerful and precise summary of the state of play, writing that in Britain, ‘while the least wealthy have the least access to land, at the other end of the wealth spectrum no form of wealth is as heavily concentrated in the hands of the richest individuals’.[2] The most pronounced of these inequalities, notably, have long been found in Scotland. ‘The numbers are well known’, Liam Kirkaldy commented, with an air of resignation, in 2015; ‘432 people own half of Scotland’s private land. 0.025 per cent of the population owns 67 per cent of Scotland’s rural land. Ten per cent of Scotland is owned by just 16 individuals or groups. In terms of land-ownership patterns, Scotland is one of the most unequal in the world’.[3] Or, as James Hunter and colleagues have put it:

> Inequality in wealth is an increasing concern internationally. Debate about the causes and consequences of inequality has focused, in the UK and elsewhere, on the

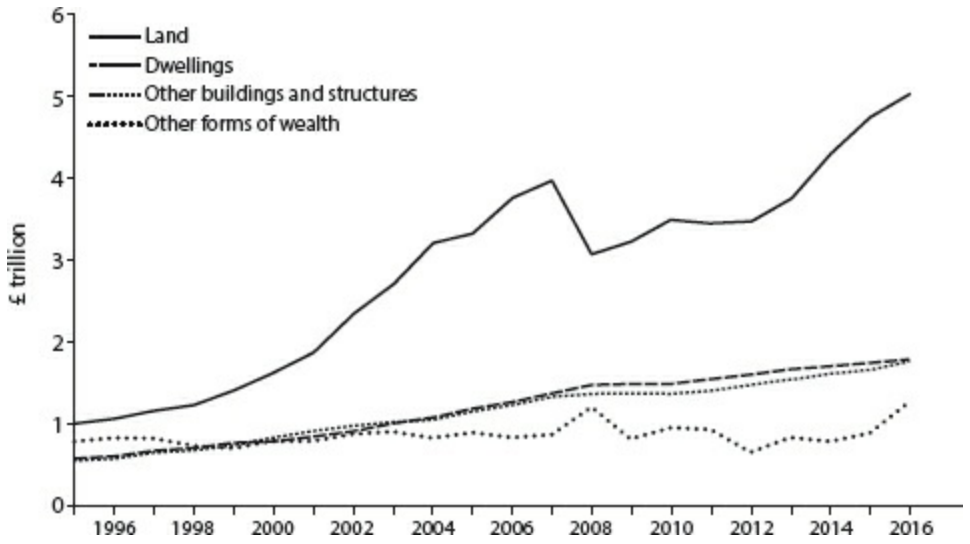
> divide between the 'one per cent' (who hold a large and growing proportion of available wealth) and the 'ninety-nine per cent' (whose share of total wealth has been falling). The inequality inherent in Scotland's land ownership pattern, however, is of an entirely different order to the more general 1:99 divide. The disparity in this instance is not between one hundredth of the population and the other ninety-nine hundredths … [T]he divide is between the equivalent of one twelve-thousandth part of the population (the part owning half of Scotland's privately-owned land) and the remainder.[1]

Such inequalities in landownership under capitalism are well-known. It has long been widely understood that one cannot grasp actually-existing patterns of socioeconomic inequality without factoring in landownership.[2] But what is much less obvious, though no less important, is that land rents and land value gains appear to be critical to rapidly growing levels of inequality, in terms of both income and wealth, during the neoliberal era – a trend that is, of course, one of the key issues of the moment in Western societies. The centrality of land to this troubling ongoing development has been a principal theme of emerging critiques of the book that has done so much to put inequality in the intellectual and political spotlight – Thomas Piketty's *Capital in the Twenty-First Century*.[3]

The first line of critique concerns income inequalities. One of Piketty's main contributions has been to show that stability in the respective shares of national income accruing to wage earners and capital owners, for so long considered a 'stylized fact' of macroeconomics, did not survive beyond the 1950s. In most advanced capitalist countries, labour's share of income consistently rose through to the end of the 1970s. But from the beginning of the neoliberal period, Piketty demonstrates, it has fallen, while capital's share of income has risen inexorably. The critique of Piketty is that he does not show which capital owners have primarily benefited. The answer, Gianni La Cava and others argue, is not owners of financial assets – it is landowners. More and more income, in short, has been realized in the form of rent: 'This suggests that it is not entrepreneurs and venture capitalists that are taking an increasing share of the economy, but land owners.'[1] The growth in income share accruing to landowners tends in turn to exacerbate overall income inequality. Why? Because landowners are already typically high-income earners. This is especially true of landownership in the form of housing ownership. 'People who have the greatest incomes', reports Beverley Searle of the English case, 'also have most housing wealth.'[2]

The other line of critique is similar, but instead concerns increasing inequalities of wealth. Here the most vocal and high-profile critic has been Stiglitz. Piketty charted robust growth of accumulated wealth in the advanced capitalist countries under neoliberalism. But, just as he failed to show which type of capital has been achieving increasing returns, so too, says Stiglitz, did he fail to show where the concomitant gains in wealth have been concentrated. The answer once again, perhaps unsurprisingly, is land – Figure 1.2 illustrates the prototypical UK case, where, since the mid 1990s, effectively all of the increase in wealth has been concentrated in land and property, with land value gains accounting for the lion's share (approximately 60 per cent). Overall wealth has grown largely because the price of land has increased. This matters, Stiglitz argues, for two reasons. The first is that the increase in wealth therefore does not imply growth in society's productive economic capacity; as Peter Orszag notes, 'an increase in the value of land and housing – unlike an increase in other forms of capital, such as computers and equipment – doesn't necessarily increase our capacity to produce goods and services. It doesn't imply that we have any more land to use.'[1] The second reason it matters is that increases in the value of land, which Stiglitz says are today driven substantially by growth in credit, serve to increase wealth inequalities. 'An increase in credit increases wealth through an increase in land prices', Stiglitz writes. But: 'Since it is only the wealthy who own the land and that get access to credit, all of the increase in wealth (capital gain) goes to the wealthy.'[2]

Figure 1.2 UK net worth by type, 1995–2016



Source: Office for National Statistics

Patterns of private landownership, in other words, seem to be at the heart of growing inequalities in both income and wealth under capitalism.[1] This is what the latest, cutting-edge research in economic theory suggests. And this is clearly one reason to pay close attention to whether, in practice – in Britain or elsewhere – land is held privately or publicly.

Yet, in concluding our discussion of landownership, iniquity and inequality, it bears emphasising that neither the unfairnesses imputed to private landownership nor related calls to find ways of reducing such unfairnesses are only about the economies of owners versus non-owners. Yes, ownership of land provides enormous power for owners themselves to profit financially, while non-owners do not. But, as we saw in the first section of this chapter, it also confers a set of powers of much more far-reaching scope: namely, to play a meaningful part in shaping the economic, social and ecological development of communities, regions, and even nations. This is not just a question of power, but also of privilege.

Why should this privilege be so unequally distributed? Why, given the implications of its exercise, should it be given to those – private individuals or corporations – who are not democratically accountable for the decisions they take? The point here is that the institution of private landownership deprives non-owners of influence over what is clearly a significant locus of power not just to make money, but to shape our collective societies, economies and environments. This deprivation matters in all times and

places, but it matters especially when, as in contemporary Britain, any common rights to access and use privately owned land – such as existed before the original enclosure – have for the most part long since been extinguished (see Chapter 2).

Now, public ownership of land may not always in reality provide the population at large with the meaningful influence over land use (and thus wider social, economic and ecological development) that private ownership by its nature forecloses. I am not for one moment being starry-eyed about this. As the political theorist C. B. Macpherson persuasively argued, state property, in its essence, is a 'corporate right to exclude others' just like (corporate) private property is: it 'does not give the individual citizen a direct right to use, nor a right not to be excluded from, the assets held by the state' inasmuch as 'the state, in any modern society, is not the whole body of citizens but a smaller body of persons who have been authorized (whether by the whole body of citizens or not) to command the citizens', and it is this smaller body 'that holds the rights called state property'.[1] Nevertheless, in a democratic system, where the state is electorally accountable, public landownership does at least preserve the *possibility* of the public having some kind of say over land use. If public land is sold off to the private sector, that possibility is gone. Those concerned by the disposal of public land often warn that it is an 'irreplaceable asset' with which we would do well to be much more careful.[2] And they are right to do so. But the land itself is not the only such asset. Also irreplaceable, and arguably more significant, is the particular capacity for public self-determination conferred by state ownership and control of the land – even if only 'potentially'.

Economic disorder

There is a widely cited passage from Adam Smith's *The Wealth of Nations* that reads as follows:

> As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce. The wood of the forest, the grass of the field, and all the natural fruits of the earth, which, when land was in common, cost the labourer only the trouble of gathering them, come, even to him, to have an additional price fixed upon them. He must then pay for the licence to gather them; and must give up to the landlord a portion of what his labour either collects or produces. This portion, or, what comes to the same thing, the price of this portion, constitutes the rent of land.[1]

The passage is justly famous. And it is typically marshalled as an example of the particular Smithian position on land rent that I outlined earlier – that rent is unjust, unearned income. This is an entirely reasonable way of reading the passage: Smith says landowners reap where they never sowed. Nothing could be clearer.

Yet what generally gets lost in the hurry to identify Smith with a wider critique of rent is the very first clause of the passage: As soon as the land of any country has all become private property …'. This, I suggest, is important. Smith seems to be saying that there is something significant about the *extent* of private ownership of the land; that it matters not just that there is privately owned land, but that 'all' the land is private property. It is when all the land has become private property, Smith says, that morbid economic symptoms arise. This issue of the degree of privatization of land in any country – an issue of obvious relevance for us – is one that those who cite Smith's passage usually overlook. In what follows, I want to think a little more closely about it. What happens, according to political-economic theory, when more and more of the land (and potentially all of the land) in a country becomes private property?

The work of the geographer David Harvey in extending Marxian rent theory is an indispensable resource here. Harvey begins with one of the questions about private landownership under capitalism that Marx, as we saw earlier, had himself pondered: Why, with the rise of industrial capitalism, did the bourgeoisie leave landed property intact, and thus permit the ongoing appropriation (in the form of rent) of 'a part of the surplus value that would otherwise accrue to capital'?[2] Harvey rehearses Marx's own answers to this question, but, crucially, he adds another. Harvey argues that private landownership, and in particular privatized land's circulation as a commodity in competitive land markets, performs a vital coordinating function for capitalism. That is to say, the legal–economic arrangement that generates rent plays a positive systemic role, even if, *pace* Smith, Marx and others, rent per se is unearned income for the individuals fortunate enough to receive it.

Landed property, in Harvey's own words, can and often does play a 'positive role in co-ordinating the flow of capital on to and through the land in ways broadly supportive of further accumulation'. Is this just an abstract claim? Or does Harvey provide more substance – some examples of how, at least in principle, this coordinating role works? He does. It works, as in theory it does in all capitalist markets, through allocative efficiency; rent, like

other market prices, sends ‘signals’ to market actors that help coordinate their respective movements and investments. Consider a situation, Harvey says, in which, thanks to the locational advantages of the land she leases, one capitalist producer is able to generate ‘excess’ profits. What does the rational landlord do? Increase the rent at that location, of course. By thus ‘taxing away’ the excess, ‘the landlord operates to equalize rates of profit between competing producers’. She facilitates the process of inter-capitalist competition. Is this good for capitalism, in the sense of good for ‘further accumulation’? Absolutely it is. ‘When the unfair advantages are eliminated, competition forces producers into further development of the productive forces and further rationalization of production.’[1] Markets, price signals, efficiency, coordination, rationalization – Harvey, it would appear, is something of a neoclassical economist.

And yet of course he is not – and the reason, at least where land privatization and land markets are concerned, is that, as Harvey goes on to say, capitalism does not only get the ‘good’, the positive elements of rent-facilitated coordination and rationalization. Capitalism, for Harvey as for Marx, is always about contradiction, and thus with the ‘good’ it gets the associated ‘bad’ – it necessarily gets elements of disorder into the bargain. Rent, and the system of land privatization and commodification underlying it, is a source not only of coordination but also, Harvey writes, of ‘contradiction, confusion and irrationality’.[2] Or, as Allen Scott says, in another brilliant disquisition on capitalism and land control, ‘the atomized pattern of private land-ownership in capitalism tends … to restrict the smooth accumulation of capital’.[1]

Why? And how? This is where Harvey’s argument becomes dense – but bear with me, because it repays close consideration. It emerges out of two vital insights. The first is that capitalist land markets (and landowners) can only properly fulfil their coordinating role if market actors are free to invest in land solely with a view to maximizing rental yield – which is to say, if exchange value is wholly divorced from use value. This insight is the foundation of Harvey’s now-famous claim that under capitalism land is increasingly treated like a financial asset (in other words, as an asset with only exchange value) – rent representing the effective ‘interest’ on the money used to purchase land, and the land market therefore becoming part of the wider arena for the circulation of interest-bearing capital. The freer interest-bearing capital is to ‘roam the land looking for titles to future ground-rents to

appropriate', Harvey argues, 'the better it can fulfil its co-ordinating role'.[2] What he is saying, in short, is that capitalism *requires* land speculation. For land markets and rental yields to coordinate productive allocations of land according to the mainstream economic model, it has to be possible to buy and sell land strictly according to expected rents – to speculate on it.

The other key insight is that, while under capitalism land can be traded like any other commodity, it is in fact not like any other commodity. We have touched on this point already – Marx thought that land was not a commodity at all, since it was not the product of human labour – and we will come back to it shortly, when discussing Polanyi. But Harvey emphasizes a different aspect of land's specialness as (or as not) a commodity: specifically, *monopoly inheres in it.* All land is non-replicable; and every piece of land is unique. 'Monopoly power over the use of land', Harvey notes, 'can never be entirely stripped of its monopolistic aspects, because land is variegated in terms of its qualities of fertility, location, etc.'.[3] Or, as Churchill famously put it: 'Land monopoly is not the only monopoly, but it is by far the greatest of monopolies – it is a perpetual monopoly, and it is the mother of all other forms of monopoly.'[1]

Combine these two qualities – the necessity of speculation in land and the endemic nature of monopoly control over it – and you have, Harvey concludes, a recipe for trouble. As we have seen, effective coordination of capitalist production through the land market requires landowners to charge market-clearing rents: those that discipline producers to be competitive, and that therefore help keep productive forces in balance. As Harvey says, however, 'there is no way to ensure that the appropriators of rent take their due and only their due'. The way in which markets typically ensure that market participants only take 'their due' – the amount designed to keep the system as a whole in balance – is through competition. But competition, as I have noted, is always circumscribed in land markets because monopoly control is, in Harvey's words, 'chronic and unavoidable'. This monopoly power, he continues, 'creates all kinds of opportunities for the appropriation of rent which do not arise in the case of other kinds of financial asset except under special circumstances'. There is, in other words, nothing to stop landowners from price (rent) gouging – which is anything but system-stabilizing behaviour: '[I]ndividual landholders, acting in their own immediate self-interest and seeking to maximize the ground-rent they can appropriate, may force allocations of capital to land in ways that make no

sense from the standpoint of the overall requirements of accumulation'.[2]

Furthermore, if the system, as it must, allows speculation in future ground rents, then it also by extension allows speculation in something else: future capital gains. One of the most notable features of land investment in early-twenty-first-century capitalism is individuals and institutions widely investing in property not for proprietary occupation or productive use – and not for letting to tenants either – but rather in the hope and expectation of value appreciation and the possibility of resale at a higher price. We see this, for example, in the form of empty, high-end housing in London (see Chapter 4). We see it also in the speculative real-estate investment occurring around special economic zones in rural India.[1] If, with speculation in future ground rents, we get, *pace* Harvey, 'good' (coordination) and 'bad' (disorder), with speculation in future capital gains we arguably get only the latter. It does not contribute in any way to allocative efficiency.

We know only too well today, just as Marx himself always knew, that financial markets are fertile fields of speculative excess; in volume 3 of *Capital*, Marx envisioned such markets as a kind of warped doppelgänger of 'real' capitalism, representing its 'height of distortion' and the locus of its most 'insane forms'. But where speculative frenzies are concerned, financial markets, Harvey would later suggest, are almost as nothing compared to land markets. And the allure of monopoly rents, undisciplined by competitive pressures, is a big part of the reason for this: 'The "insane forms" of speculation and the "height of distortion" achieved within the credit system stand' – precisely in view of monopoly control in land – 'to be greatly magnified in the case of speculation in future rents.'[2]

Of course, the very openness of the land market, the free play of speculation within it, only serves to exacerbate all of this. So, while interest-bearing capital must be free to speculate on rental yield in order to perform a positive coordinating role, the same conditions contain within them the very seeds of disorder, for 'the more open the land market is, the more recklessly can surplus money capital build pyramids of debt claims and seek to realize its excessive hopes through the pillaging and destruction of production on the land itself'. This is capitalist contradiction writ large: 'the land market necessarily internalizes all the fundamental contradictions of the capitalist mode of production' insofar as the positive 'co-ordinating functions' of rental appropriation 'are bought at the cost of permitting insane forms of land

speculation … Speculation in land may be necessary to capitalism', Harvey writes, 'but speculative orgies periodically become a quagmire of destruction for capital itself.'[3]

And if ever this phenomenon was in evidence, it was in 2007–09, in the global financial crisis – which, as we know by now, was triggered precisely by insane forms of speculation in markets for housing – read: land – and out of which a quagmire of destruction for capital itself was averted only by massive state intervention and the socialization of losses. That this is the case is recognized, furthermore, by economic commentators with vastly different understandings of capitalism than Harvey's. As we saw earlier, the *Financial Times's* Martin Wolf decries the fact that 'the opportunity for speculation in land both fuels – and is fuelled by – the credit cycle'. In fact, his post-crisis critique of land markets, finance capital, speculation and economic destruction is strikingly comparable to Harvey-the-Marxist's. Where Harvey writes of pyramids of debt claims on land, Wolf says that the existing nexus of housing, land and finance capital is 'no more than a giant pyramid selling scheme and one whose dire consequences we have seen again and again'; where Harvey writes of insane forms of speculation on rents destroying value, Wolf castigates the 'fever of land speculation' and laments that such 'insane speculative fevers have ended up destabilising the entire global economy'.[1] If any market indubitably refutes the neoclassical conceit that private markets produce efficient and stable outcomes, then it is surely the land market (see also Chapter 5).

The significance of these disruptive and destructive tendencies, furthermore, is not limited to the economic instability, and potentially havoc, wrought by the growing privatization of land and its allocation through markets. Harvey, as a geographer, is only too aware that economies do not exist on the proverbial head of a pin; they exist in real places and spaces, and their contradictions are always real-world, lived and experienced contradictions. In internalizing the contradictions of capitalism, Harvey therefore points out, the land market 'thereby imposes those contradictions upon the very physical landscape of capitalism itself'.[2] The economic disorder generated by speculative land markets is at once, and necessarily, a disorder that is geographical and developmental, playing out in the built environment and in the area of land use. It is overbuilding booms. It is home foreclosures. It is potentially also, as we shall shortly see, an increase in generalized social disorder.

And, of course, the more widely speculative land markets spread as more and more land is privatized, and as actors accordingly are more and more incentivized to chase monopoly rents and capital gains speculatively, the greater the potential for disorder in economies – and geographies, and so forth – and the greater the potential scale of this disorder. None of this, needless to say, is much of an advertisement for privatizing land.

If the kinds of deleterious outcomes theorized by Harvey are to be avoided, some form of state intervention in land markets is clearly necessary – just as it is, I have argued, to counteract market failure and to dampen, if not eradicate, the iniquities and inequalities associated with private landownership. Some might argue that an effective planning system is the answer to the disorder unleashed by land-market speculation. But this is hopelessly naive, if only because the planning system and the decisions it issues are liable themselves to become just a further locus of speculation. If monopoly rents are generated by locational specialness, then nothing generates such specialness and rents quite like planning permission. If most or all of the land in a country is privatized and commodified, and a planning system is introduced in an attempt to impart order to development patterns, it is inevitable that private-sector attempts to second-guess – and, wouldn't you know it, capture – the planning system will substantially mitigate this attempt to moderate speculative disorder. Thus, while acknowledging planning as 'an instrument in the attempt to control and rationalize the overall pattern of urban development', Scott insists that planning responses are always no more than 'eclectic, partial, and stopgap measures that temper but do not abolish the self-constricting logic' of private landownership.[1]

Ultimately, the only credible answer to this problematic is a substantial stock of publicly owned land, especially in those densely populated urban areas where some degree of joined-up and balanced land-use development is surely beneficial to the economy and society at large. As Kivell argues, 'where governments or local authorities own the land required for development they can promote efficient and desirable land use patterns and channel growth in a rational and well co-ordinated manner'.[1] Sometimes, as Scott says, 'breaking the power of private landownership … is essential'. We should not be naive about the typical motivations for such state intervention, however. Just as Marx saw the theoretical abolition of landed property as advantageous *for capital*, so minimizing the economic disorder ineluctably associated with private landownership is also primarily in capital's interest.

In this respect, the public ownership of urban land is, *pace* Scott, 'a collectively rational and necessary response within capitalism to the prevailing pattern of fragmented, dispersed and privatized landownership … *to ensure the achievement of the overriding capitalistic goal of unhindered expansion of the bases of commodity production'*. Yet, although for Scott this type of state intervention is ordinarily about smoothing capital accumulation, it 'has not been entirely lacking in progressive elements'.[2] Theoretically speaking, this, at least, is something to cling to.

Social dislocation

I have already hinted at a theoretical argument that will now take centre stage in this final part of the chapter – namely, that extending private ownership and market-based allocation of land is injurious not only for economic stability – Harvey's argument – but also for social well-being, which of course is connected to economic stability but by no means reducible to it. The thinker who has developed this argument most fully is Karl Polanyi, most notably in *The Great Transformation*, published in 1944. In the rest of this chapter I will be focusing largely on Polanyi's ideas. His work is directly relevant to the empirical case study considered in this book because it suggests that the privatization and commodification of public land would be likely to elicit a range of nefarious social consequences.

Polanyi's explanation for the negative ramifications of turning land into private property and trading it in markets rests on his concept of a 'fictitious commodity'. A commodity, Polanyi says, is something produced specifically for sale on the market; in this sense his definition of a commodity is narrower than Marx's, which, as we have seen, requires only that something be the product of human labour. For Polanyi, therefore, land, which has existed since time immemorial, is not a commodity, and neither is labour or money. Yet under capitalism, land, labour and money are all widely commodified – so how should we conceptualize them, if not as (real) commodities? 'Fictitious commodities' was Polanyi's answer. Commodities were fictional if, like land, they were treated by society as commodities by being bought and sold in markets, but had not been created with such commodification in mind. Land, labour and money, Polanyi submitted, were 'obviously *not* commodities'. This was not to say that their commodification was a fiction. What was 'entirely fictitious', rather, was the 'commodity description of labor, land, and money'.[1]

Prior to the birth and spread of market-based capitalism, Polanyi argued, land had historically been embedded in various types of non-market social relations. It constituted ‘the natural surroundings in which [society] exists’; it was ‘an element of nature inextricably interwoven with man’s institutions’. It defied, in short, dualisms to which we have subsequently become accustomed, most notably that of nature/society. What the privatization and commodification of land – or, as Polanyi liked to put it, the advancement of the commodity fiction in respect of it – therefore represented was nothing less than an attempt to dis-embed land from that with which it had historically been enmeshed. This, Polanyi suggested, was – as it remains – a monumental, game-changing endeavour. Given land’s inherent entanglement with ‘society’, to include it ‘in the market mechanism means to subordinate the substance of society itself to the laws of the market’. And this dis-embedding of land, Polanyi repeatedly reminded readers, was no mere side-show to the main capitalist drama of the nineteenth century; on the contrary, it was fundamental to that drama: ‘to separate land from man and to organize society in such a way as to satisfy the requirements of a real-estate market was a vital part of the Utopian concept of a market economy’.[1]

Insofar as marketizing land means wrenching it away from its ‘natural’ social habitat, Polanyi saw it as a wholly unnatural project: ‘To isolate [land] and form a market for it’, Polanyi went so far as to say, ‘was perhaps the weirdest of all the undertakings of our ancestors.’ It was weird because, of course, land is not a commodity in Polanyi’s sense of the term, and thus there is no reason to believe that treating it as a commodity will ‘work’ in the way the marketization of things that are indeed produced for sale on the market does. Land had conventionally been embedded in society. Under this order of things, Polanyi saw land as fundamentally buttressing ‘the vigor and stamina of the population, the abundance of food supplies, the amount and character of defence materials, even the climate of the country’. Yet none of these things, he went on to say, ‘respond to the supply-and-demand mechanism of the market’. Thus, subjecting land to the ‘logic’ of the market necessarily meant putting at risk all such things that depend intimately upon it. ‘To allow the market mechanism to be sole director of the fate of human beings and their natural environment’, Polanyi thus concluded, would inevitably result in ‘the demolition of society’. Dis-embedding land would despoil that which socially embedded land sustained: ‘Nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted, military safety

jeopardized, the power to produce food and raw materials destroyed.'[2] He was a cheerful fellow, Polanyi.

This, according to Polanyi, was to some extent precisely what had happened in nineteenth-century Britain, which was his prime example of a place where, with profoundly negative consequences, land and the other fictitious commodities had been relentlessly separated from their pre-existing social stratum under the march of industrial, market-based capitalism. Invoking the ravages of the industrialized social landscape depicted by Marx in *Capital*, and even more vividly, exactly a century before Polanyi was himself writing, by Engels in *The Condition of the Working Class in England*, Polanyi opined that 'nothing saved the common people of England from the impact of the Industrial Revolution. A blind faith in spontaneous progress had taken hold of people's minds, and with the fanaticism of sectarians the most enlightened pressed forward for boundless and unregulated change in society. The effects on the lives of the people were awful beyond description.'[1]

There is thus an important lesson to be learned from Polanyi when we turn, presently, to the history of privatization of public land in latter-day Britain. The lesson is simply this: the importance of looking to the social, as well as economic, realm for the potential effects of this privatization.

But we are actually only halfway done with Polanyi and his theory of land and fictitious commodification. It turns out that this theory, and indeed Polanyi's reading of it through the lens of European history, is not an entirely dystopian one after all. The more positive aspect of his argument is that neither in theory nor in practice does the dis-embedding of land – its isolation and marketization – go uncontested. This dis-embedding is unnatural; and so, perhaps naturally, it is resisted. Markets for land (and labour and money) always need to be made – or, as Polanyi himself famously put it, 'Laissez-faire was planned' – and hence, in principle, they can always be unmade, too.[2]

Attempts at this 'unmaking', whereby land and the other fictitious commodities would be re-embedded in the social milieux from which they had been rent asunder, were described by Polanyi as 'counter-moves'. They represented the second component of another of his signature concepts, the so-called 'double movement'. The first component was the generalized capitalist 'move' to marketize, to dis-embed; the second movement was

resistance to this, specifically where the fictitious commodities were concerned. Because markets in labour, land and money threaten to 'destroy society', society invests in 'self-preserving action', either by preventing such markets from being established or by '[interfering] with their free functioning, once established'. What, in theory, do these counter-moves look like? 'To remove land from the market', Polanyi says, 'is synonymous with the incorporation of land with definite institutions such as the homestead, the cooperative, the factory, the township, the school, the church, parks, wild life preserves, and so on.' And Polanyi claimed that, but for such 'protective counter-moves', society 'would have been annihilated':

> Social history in the nineteenth century was thus the result of a double movement: the extension of the market organization in respect to genuine commodities was accompanied by its restriction in respect to fictitious ones. While on the one hand markets spread all over the face of the globe and the amount of goods involved grew to unbelievable dimensions, on the other hand a network of measures and policies was integrated into powerful institutions designed to check the action of the market relative to labor, land, and money.[1]

To add some colour to Polanyi's theorization and historicization of the double movement, particularly in relation to land, let us briefly consider some examples. On Neutze's telling, Sweden's land experienced precisely the type of move and counter-move envisioned by Polanyi, although Neutze does not invoke Polanyi by name.

> In Sweden, until the beginning of the nineteenth century, no private person had the right to own land in the towns; all of it belonged either to the town or the Crown. The rise of economic liberalism during the nineteenth century resulted in much urban land becoming the property of individuals and companies who had the right to determine its use. From around the turn of the century there was a gradual reversal of the trend towards privatization of land for a number of reasons. One important reason was that rapid urbanization was leading to overcrowded housing and rapidly rising rents bringing fears of unrest among the urban proletariat.[2]

Privatization and commodification of the land had precipitated elements of social dislocation; society then kicked forcefully back against this trend.

A notable part of Polanyi's genius was to recognize that, in places like Sweden, the double movement entailed a complicated and often seemingly improbable politics of land, and that this politics was absolutely central to the political currents of the age. 'Opposition to mobilization of the land', he

wrote – meaning here by ‘mobilization’, marketization – ‘was the sociological background of that struggle between liberalism and reaction that made up the political history of Continental Europe in the nineteenth century.’ Liberals were for laissez-faire; those ‘reacting’ were against it, and in the countryside they typically included, in an odd constellation of interests, not only farm workers but also the landed classes.

> The stupendous industrial achievements of market economy had been bought at the price of great harm to the substance of society. The feudal classes found therein an occasion of retrieving some of their lost prestige by turning advocates of the virtues of the land and its cultivators. In literary romanticism nature had made its alliance with the past; in the agrarian movement of the nineteenth-century feudalism was trying not unsuccessfully to recover its past by presenting itself as the guardian of man’s natural habitat, the soil. Had the danger not been genuine, the stratagem could not have worked.[1]

In a curious twist, the most traditional of classes posited itself as protector not just of its own but of wider society’s interests. If in our analysis of latter-day land commodification in Britain we are on the lookout for undetected social consequences, then, we should also be on the lookout for unlikely political ones.

In any event, Polanyi reported comparable counter-moves against land’s marketization in late-nineteenth and early-twentieth-century Britain to those Neutze later related for Sweden. On the one hand, ‘land laws and agrarian tariffs were called into being by the necessity of protecting natural resources and the culture of the countryside against the implications of the commodity fiction in respect to them’. This was the rural reaction. On the other hand, Britain’s growing cities saw a similar backlash against the perceived tyranny of the land market:

> A comprehensive effort was launched to ensure some degree of health and salubrity in the housing of the poor, providing them with allotments, giving them a chance to escape from the slums and to breathe the fresh air of nature, the ‘gentleman’s park’. Wretched Irish tenants and London slum-dwellers were rescued from the grip of the laws of the market by legislative acts designed to protect their habitation against the juggernaut, improvement.[1]

In all of this, the state, in its various forms, clearly played a pivotal role. The counter-movement against fictitious commodification was, in significant measure, a state-led one; as Fred Block writes in his introduction to *The*

Great Transformation in regard to the more generalized implications of Polanyi's theory, 'the role of managing fictitious commodities places the state inside three of the most important markets' – that is, those for land, labour and money.[2] The state must always be there. And while public landownership is clearly not the only possible means of socially 'protective' state intervention in land markets, it has, since the days of the particular historical double movement examined by Polanyi, been a crucial one.

Again, Sweden represents a prime example. As Neutze notes, 'The city of Stockholm began an active purchasing policy in the 1880s and made its first large purchase of nearly 2,000 hectares, more than the entire built-up area of the city. Most of this land was used for the construction of single family housing on leasehold sites. Over the next 70 years this expanded to 40,000 hectares'.[3] And so too, as Polanyi himself noted, does Britain – the urban allotments for the poor that he mentioned, for example, were provided on land that local authorities were granted the power to compulsorily acquire under the 1908 Small Holdings and Allotments Act. Indeed, an expansion of public landownership to mitigate the negative social effects of the nineteenth-century advancement of the commodity fiction in respect of land was a much more broadly based feature of British society from the 1870s onwards, lasting for at least half a century. It is, in fact, one of the critical dimensions of the 'prehistory' of neoliberal land privatization in Britain that I examine in Chapter 2.

CHAPTER 2

Landownership in Britain: A Brief History

An historical perspective is indispensable to a full, critical appreciation of the fate of British public land in the neoliberal era. We cannot understand what has happened to public land since the beginning of the 1980s unless we have a reliable picture of where things stood at the outset of that period. More importantly, history always infuses the present, and rarely more powerfully than where the land is concerned. Immovable and unyielding, the land bears witness to the social processes played out upon and through it, carrying the past with it through time. For all that this past becomes ever more distant, its echoes increasingly quietened, it can never be fully escaped.

This historical chapter casts its net widely, both temporally and thematically. So while its main focus is on the twentieth century, it insists that a true grasp of the political economy of land in contemporary Britain requires us to peer back nearly a thousand years, to the Norman invasion, the formalization of a system of feudal tenure, and the production in 1086 of the first, famous survey of national (at least, English and Welsh) landownership: the Domesday Book. The Book's echoes, after all, are still with us, and part of our subsequent story: when in 2014, for instance, business interests urged the then London mayor, Boris Johnson, to identify and sell the capital's surplus public land, they advised him to first create 'a 21st Century

Domesday Book for London so we know where this land is'.[1] And while this chapter looks mainly at the history of public land, it also considers those types of landownership to which public ownership represents – and always has represented – a political *alternative*, in the absence of which the story of public land per se clearly cannot be told.

In the history narrated in this chapter, two connected themes loom large, and the following chapters need to be read explicitly in their light. The first and most important is that, if it is a general truism of human history that land and power are intimately intertwined (see Chapter 1), this arguably has nowhere been truer than in Britain. 'It is a rule, to which history as yet furnishes few exceptions, that nations are governed by their landed proprietors', the liberal English philosopher and political theorist John Stuart Mill opined in 1871. 'At all events they have ruled this country.'[2] Mill was not wrong. The following year saw the commissioning of the first major survey of landownership in the British Isles since the original Domesday Book, and when it was published in 1875 (as *The Return of Owners of Land*), it showed not only extreme concentration of ownership in the hands of the aristocracy but, notes Kevin Cahill, that 'almost every one of the top 100 landowners were also members of the House of Lords'. No wonder Cahill suggested, somewhat prophetically, in 2001 that the ejection of most hereditary peers from the House of Lords in 1999 would in time come to be seen as 'the only truly revolutionary act of the first Blair government'.[3]

Yet, in hindsight, it is actually questionable how revolutionary this ejection has proved. Cahill figured that its effects would be profound, since 'it broke the umbilical cord between the landed and the heart of power at Westminster'.[4] But 17 years later, power and land are still tightly bound to one another in Britain. This will be a recurring theme of subsequent chapters. Indeed, when Stuart Hall, Doreen Massey and Michael Rustin launched their broadside against neoliberalism, 'The Kilburn Manifesto', in 2013, they highlighted two of neoliberalism's 'peculiarly British characteristics', and one – alongside 'the long dominance … of financial interests' – was 'the significance of landed property'. Neoliberalism in Britain, they insisted, could only be comprehended in the context of 'the elite ownership of vast parts of the country, and the associated power of the landed interest' – even after the 1999 parliamentary reform. Landed interests, like financial ones, 'are utterly embedded in the British class structure and the shape of the

British economy'.[1]

The second key theme of this chapter, closely related to the first, concerns the politics of land in Britain. Conflict over land issues, as we will see, has been a persistent feature of British political history almost as far back as one may care to trace it. And how could it not be? Feudalism was a mode of social organization structured around hierarchical relationships rooted specifically in land grants. Reorganizing prevailing systems of rights of land access and usage through land 'enclosure' was, in turn, fundamental to the transition from feudalism to capitalism: it was the 'primitive accumulation' that, according to Marx, made all subsequent capital accumulation possible. While the exact issues in dispute have of course varied across the centuries, and have often assumed different forms in England, Scotland and Wales, land has long been a pivotal fault-line of British politics.

But here's the thing: while our first key theme – the imbrication of land and power – is a locus of continuity between this chapter and those that follow, our second theme is a locus of marked contrast. Having been a consistent nub of political friction and contestation for centuries, land suddenly disappeared from mainstream British political debate at the beginning of the 1980s – with the single notable exception of Scotland – and it has never meaningfully resurfaced. One of the main aims of this book is to show why the land question should never have vanished (or been side-lined) from the political agenda in the first place.

The history provided by this chapter is necessarily a capsule account that prioritizes some themes over others. I pay particular attention to major changes in patterns of land access and ownership, and to how these can be explained. I also, needless to say, look closely at the state's involvement in landownership and use, not just in terms of owning land – public land – itself, but also in terms of its attempts to shape the dynamics of private ownership and use, not least through the planning system. The chapter is divided into three sections corresponding to three chronological periods characterized, I argue, by distinctive sets of significant land-related developments. These periods become progressively shorter as we approach the present day, and the developments in question, bearing increasingly directly on the neoliberal era, demand increasingly close attention. The first period runs all the way from the Norman invasion to the 1870s; the second takes us up to World War II; and the third ends when the neoliberal era begins.

The Lay of the Land

Feudal tenure

When schoolchildren in Britain learn about the eleventh-century Norman conquest of England, they typically learn about battles (especially Hastings), castles (such as Corfe), and languages (a partial introduction of Norman French). But arguably the most enduring consequences of the invasion pertain to the land and land law, because the system of landownership and occupation that obtains across most of Britain to this day is directly traceable to the changes initiated by Duke William II (the 'Conqueror') of Normandy. It is crucial to understand this history.

When William invaded England, he asserted sovereignty over the territory, which is to say he claimed all the land as his own on the basis of the traditional 'right of conquest' – the right of a conqueror to land taken by force of arms. He then granted *estates* in this land to his followers. These 'lords' in turn parcelled out 'their' land – they were, literally, the original *land-lords* – to various tenants further down the food chain. This process represented the formalization of a hierarchical system of what has come to be known as *feudal tenure.* Three aspects of this system are especially noteworthy.

First, those beneath William and subsequent monarchs did not own the land they occupied. Aside from the monarch, all land 'owners' merely held the land 'of' someone else. Second, the granting of land for occupation and use always came at a price. Sometimes this was a monetary price – the payment of feudal dues, taxes or rents to those higher up the chain, and ultimately to the monarch. Hence, in part, the need for the Domesday Book: just as the government today does not know how much to tax us if it does not know how much income we earn, the monarch did not know what land rents were due unless he knew who 'owned' – meaning held – which portions of land. Knowledge is power. But often the price was not monetary. It might be manual work or military service, for example. Where some kind of recurring payment was due – monetary or otherwise – lords and tenants were understood to be *leasing* the land from their social superiors; their tenure was, literally, a form of 'lease-hold', the land being held (not owned) under lease. But this was not the only possible feudal-tenure model. Increasingly, land was granted in return for a one-off upfront monetary payment, especially where a monarch was cash-strapped. In such instances the lord–tenant held

the land free of future charge; the tenure, in other words, was not lease-hold but ‘free-hold.’

By now, with the introduction of these all-too-familiar terms, you probably think you know where I am going with this. And you would be right. For the third and most important aspect of the feudal tenure system is that it essentially continues to apply. With two notable exceptions (to which I will return shortly), the monarch (‘Crown’) remains *the only true owner of land in Britain today.* In case you do not believe me, here is the relevant explanatory note from 2002’s Land Registration Act:

> The Crown is the only absolute owner of land … [A]ll others hold an estate in land. Estates, which derive from feudal terms of tenure, originally took many forms but were reduced by the Law of Property Act 1925 to two, an estate in fee simple absolute in possession, generally known as ‘freehold’; and an estate for a term of years absolute generally known as ‘leasehold’.[1]

So there you have it. Try to remember this throughout the rest of the book: where I discuss, as is the convention, this or that ‘owner’ of the land, be it the state or a private actor, the reality is that the actor in question does not in fact ultimately, legally own the land, unless it is the Crown being discussed. The Crown does.

Before proceeding, we need to add a couple of final wrinkles to this summary account, one of which is historical and the other geographical. The historical wrinkle concerns the question of whether Britain still formally has ‘feudal tenure’. The excerpt from the Land Registration Act suggests not, stating that contemporary estates (the legal forms of landholding) merely derive from feudal terms. And historians also tend to suggest not. They generally recognize feudal tenure as having come to an end with the Tenures Abolition Act of 1660, which stipulated that henceforth only one kind of payment for landholding was legal in England. This was cash payment, or rent – so-called ‘socage’. Other forms of payment, such as military service, were prohibited. Given the centrality of service in feudal society, it is easy to see why historians associate the Act with the end of feudalism. Nevertheless, socage was a type of feudal duty, too; it simply became the norm, rather than an option. And arguably the key feature of the feudal system – the Crown’s status as absolute owner – remained intact, and persists to this day.

The geographical wrinkle concerns the two ‘notable exceptions’ to the Crown’s status as solitary ultimate owner of all British land that I mentioned

earlier. The most important of these is Scotland (the situation in Wales is as in England). If the 1660 Tenures Abolition Act *effectively* abolished feudal tenure in England, the 2000 Abolition of Feudal Tenure etc. (Scotland) Act, which came into force in 2004, *actually* abolished feudal tenure and the Crown's superiority interests in Scotland, replacing them with a system of outright ownership of land. I will have more to say about this reform later in the book. The more minor, though still far from immaterial, exception is, oddly enough, Cornwall. The entire land of Cornwall is owned not by the Crown but by the Duke of Cornwall – a title held by the eldest son of the reigning British monarch (or by the monarch if there is no male child). People living in Cornwall therefore legally hold their land not 'of' the Crown but 'of' the Duke.

Enclosure

The legal scholar Robert Home recently observed that, until the twentieth century, Britain had only experienced one significant episode of major redistribution of landownership – 'ownership' being subject here, as in the rest of the book, to the necessary caveat about absolute ownership typically being vested in the Crown – in over 500 years. That episode occurred in the mid sixteenth century with the so-called Dissolution of the Monasteries.[1]

Over the course of several centuries, Catholic monasteries had acquired wide swathes of land across England and Wales, as well as Ireland. One of Henry VIII's many dramatic acts subsequent to declaring himself head of the church in England in 1531 was to disband these monasteries and dispose of their assets, of which land and property were far and away the most extensive and valuable. The bulk of these monastic lands were acquired by Britain's aristocracy, its landed gentry, from Henry or his Lord Chancellor, Thomas Cromwell. Estimates of the extent of these confiscated lands vary, but it is clear that they were vast. Most historians' estimates are specifically for English holdings only. One such estimate suggests that the English monastic estate contained 'more than two million acres of farmland, almost 20 percent of the total cultivated in England at that time, including some of the most fertile and valuable manors in the kingdom'.[2] Another estimate suggests that the Catholic estate accounted for approximately 15 per cent of all English land (not just farmland), which would equate in total to approximately 4.8 million acres, or just under 2 million hectares.[3]

But if the appropriation of monastic lands was the most significant

episode of the redistribution of landownership in the 500 years preceding the twentieth century, it was not the most significant episode of redistribution of rights to access and use that land. This was of course the enclosure movement. We will turn to the question of the scale of this redistribution in a moment, but first we need to be clear about what enclosure was, and what it was not.

The object of enclosure, throughout Britain, was the commons, or common land. The term 'commons' is often thrown around rather indiscriminately, and is sometimes used to denote communal forms of landownership (land held *in common)*, but Britain's commons were typically not communally owned. They were always mostly privately owned. What were 'common' were instead the *rights* to land, specifically to access and to take or use part of a piece of land or of its produce. And those who enjoyed and exercised these rights were 'commoners'.

This common land, prior to enclosure, was of two main types. The first comprised open agricultural fields subject to common rights, often referred to as 'common-fields'. The second comprised common 'waste' lands. This was essentially any common land not used for cultivation. The term 'waste' is potentially deceiving. This land was not necessarily waste or wasted in the senses with which we are familiar, as in valueless and unused, respectively; it was used in many socially and economically productive ways, such as for gathering firewood or grazing animals, and it was as integral as common-fields to the self-provisioning, common-right peasant economy of the British countryside.

Yet the term 'waste', whether accurate or not, was inordinately consequential. By picturing such land as wasted, 'unimproved' and 'sterile', those who believed that it could and should be 'improved' and put to other, more 'productive' uses provided powerful discursive ammunition for an assault on common-land rights and the common-right economy they buttressed. This assault took the form of the enclosure movement. The discourse of 'waste', in other words, widely legitimized and fuelled enclosure.[1] This is one reason why I refer to the privatization of British public land under latter-day neoliberalism as a new enclosure: because, as we will see in Chapter 3, such privatization has also been widely legitimized and fuelled by a pejorative framing of the land in question; only, in this case, it is public rather than common land that those agitating for change have targeted. And while notions of 'waste' are certainly not absent, notions of 'surplus'

have been the more prevalent and potent.

The original enclosure movement entailed a number of connected actions and outcomes. Most fundamentally, it involved the extinction of common rights to open fields and waste; these rights, rather than the land's ownership per se, were privatized. The word 'enclosure' (sometimes 'inclosure') is used because this extinction had a highly physical, spatial manifestation, one visible in the British landscape to this day: the subdivision and fencing or hedging of common-land parcels into individual (enclosed) plots. Enclosure also, needless to say, had a set of profound social manifestations, of which the most noteworthy and consequential was the removal of the commoners whose rights to access and use the enclosed land, and thus to their very means of social reproduction, had been extinguished.

While I referred earlier to enclosure as a crucial episode of land redistribution, it was not really an 'episode' as such. Enclosure occurred in fits and starts over the course of several centuries, at varying speeds and by varying means in different parts of Britain. It began long before the Dissolution of the Monasteries – from as early as the twelfth century – but picked up pace in the fifteenth century with the nascent shift towards capitalist modes of agricultural production, and it continued long thereafter. It had become an entrenched feature of the national landscape by the mid eighteenth century, from which point enclosure by private agreement was largely supplanted by enclosure through one of more than 5,000 parliamentary Acts. The pace of enclosure did not slow until the latter half of the nineteenth century. Middle classes concerned about the loss of recreational spaces established the Commons Preservation Society in 1865, and a decade later, in 1876, the Commons Act stipulated that enclosure could only occur where there would be public benefit. The final enclosure Bill was enacted by Parliament in 1914.

As with the appropriation of monastic lands, estimates of the scale of common land enclosed in Britain vary substantially. But it seems likely that more than half of all British land underwent this wrenching process, and that most – though not all – common land disappeared in the process. Donald McCloskey estimated that 14 million acres of English common-fields were enclosed during the eighteenth and nineteenth centuries, representing just under 60 per cent of English agricultural land and over 40 per cent of the English land mass in total; 8 million of these acres were enclosed by private agreement, and 6 million by parliamentary Act.[1] And then, of course, there

was common waste land. Michael Williams estimated that between 1780 and 1880 somewhere between 3.7 million and 5.9 million acres of English and Welsh waste land were enclosed, representing between 10 and 15 per cent of the total land area of England and Wales combined.[2] In short, the enclosure movement scythed through the British landscape, utterly transforming half or more of British land and the social relations that it sustained. By the time it was complete, precious little common land remained – just 1.5 million acres, or less than 3 per cent of all British land, when the Commons Act brought effective closure to the process.[3]

Clearly, the impact of enclosure was colossal, as a vast literature on the subject testifies.[4] Leftist historians have ordinarily raged at this history – Marx described it as a long process of theft, remarking that 'the very memory of the connection between the agricultural labourer and communal property had, of course, vanished' by the nineteenth century – and with good reason.[5] Enclosure not only displaced millions of commoners, but was often brutal in its violence. Perhaps the most egregious example of such brutality was the eighteenth- and nineteenth-century Highland Clearances in Scotland.[6] But equally, it would be wrong to romanticize in any way the social structures that enclosure swept away. Feudalism was hardly a utopia of meritocracy, justice and equality. Jesse Goldstein's even-handed summation is therefore worth noting: 'Enclosure really did provide a route out of feudal domination, but it also really did lead to the immiseration and dispossession of the vast majority of rural families.'[1]

What enclosure also definitely did – and this was Marx's main point – was enable the rapid transition to urban, industrial capitalism in Britain. Stripped of the rights to the rural land that had sustained them, Britain's dispossessed peasants were 'free' to sell their labour-power, capitalism's most important raw material, to the emergent industrial-capitalist class in the emergent industrial cities to which, in vast numbers, they now migrated.[2] And of course enclosure effected a series of transformations on and of the land itself that are of particular relevance for our account. It may not have greatly affected the land's legal ownership, but enclosure completely reconstituted relations between land and social power. Again, here is Goldstein:

> By the nineteenth century, a tiny minority of wealthy owners controlled an overwhelming majority of arable land, which they dedicated to improved

> husbandry, or (as was increasingly the case by the eighteenth century) reserved as private hunting grounds and pastoral idylls. In either case, the removal of commoners was the sine qua non of the improved landscape.[3]

To recognize this effect of concentrating power over the land in a small number of private hands is, in turn, to highlight the second and main reason I refer to the privatization of British public land under contemporary neoliberalism as a new enclosure – because, I will argue, it too has seen a profoundly consequential reordering of land's political economy (Chapter 5).

And *The Return of Owners of Land* tells us just how exclusive the class that owned and controlled Britain's enclosed lands had become by the 1870s. It is truly an extraordinary picture, and, as Cahill has repeatedly argued, the *Return* is an equally extraordinary historical document – we will see later that never again has anything like as much information about the ownership of British land been available, least of all freely, in the public domain. With the ownership of some 95 per cent of Britain's total land area having been officially registered, the *Return* documented the ownership details and size of all holdings larger than one acre (0.4 hectares). Cahill states the main finding bluntly: 'all land was owned by 4.5 per cent of the population and the rest owned nothing at all'.[1] Ownership was especially concentrated in Scotland and Wales. In the former, 90 per cent of the land was owned by just 1,380 private land owners;[2] in the latter, 4,747 individuals owned 87 per cent of the land.[3] The percentage of land owned by the top 10 landowners in each country was 22 per cent in Scotland and 15 per cent in Wales, but 'only' 2 per cent in England.[4]

What is also striking and important about the picture contained in the *Return* is the role in that era – or rather, the lack of a role in that era – for the type of land and landownership at the core of this book's enquiry: public land, and public landownership. The simple reality is that the British state was not, and had never been, a significant landowner. There was, says Cahill, again with admirable directness, 'an almost complete absence' of state landownership.[5] In Wales, for example, the state owned just 1.9 per cent of the land.[6] The equivalent figure for Scotland was a paltry 0.34 per cent.[7] And the state does not even figure in Cahill's overall tabulation of the main categories of landowner across Britain as a whole at that time.[1] The days of the state being a significant owner of land in Britain were, in short, yet to come. But they were just around the corner.

The Growth of Public Ownership

The land question

On 19 February 1872, Edward Stanley, the 15th Earl of Derby, asked in the House of Lords:

> Whether it is the intention of Her Majesty's Government to take any steps for ascertaining accurately the number of Proprietors of Land or Houses in the United Kingdom, with the quantity of land owned by each? … [The Lords] all knew that out-of-doors there was from time to time a great outcry raised about what was called the monopoly of land, and, in support of that cry, the wildest and most reckless exaggerations and misstatements of fact were uttered as to the number of persons who were the actual owners of the soil.[2]

The Return of Owners of Land was the outcome, and it had precisely the opposite effect intended by Stanley and his peers in the House. They had believed that the 'great outcry' to which Stanley referred was based on misinformation and hyperbole – Charles Wood, a former chancellor of the exchequer, condemned in the same Lords sitting 'absurd statements made in certain newspapers, and at some public meetings, respecting the wonderfully small number of landed proprietors in this country' – and that documenting actual landownership patterns would quell public disquiet.[3] But of course the *Return* showed that the outcry was wholly justified. In doing so it put the politics of land and landownership exactly where the Lords, then Britain's leading landowners, did not want it: in the political spotlight.

This was not the first time that the 'land question' had featured prominently in British political debate. A groundswell of agitation for agrarian land reform had accumulated, notably, in the 1840s. This agitation was spearheaded by the Chartist movement and one of its leaders, Feargus O'Connor, whose (failed) Land Plan envisioned the provision of smallholdings for the working classes.[1] In the same period, land reform was also promoted by the more establishment-friendly Anti-Corn Law League, and especially one of its founders, Richard Cobden.[2] But this agitation, too, ultimately dissipated in the face of staunch government resistance.

These agitating currents in the 1840s had been very much England-centric. When the land question forcefully resurfaced in political debate in the 1870s, however, it was a much more broadly based phenomenon spanning the length and breadth of Britain.[3] To be sure, it had different flavours in

different regions: in Wales, for instance, opposition to landowners was closely tied to opposition to the Anglican Church; in Scotland the land question was centred on the travails of the crofting communities; and in England it was inseparable from the Liberal Party's efforts to win the vote of the agricultural labouring population.[4] But in all parts of the country, the revelations of the *Return of Owners*, lingering bitterness at the history of enclosure, and a deep depression in the rural economy combined, in the 1870s, to light the fuse of political conflict around landownership. And as the 1870s gave way to the 1880s, popularization of the ideas of leading land radicals – most importantly Henry 'We must make land common property' George from the United States and Jesse 'Three Acres and a Cow' (are enough for a family to live on) Collings, closer to home – poured fuel on the fire. Joseph Chamberlain, notably, placed his confidant Collings's ideas about land reform at the heart of his so-called 'Unauthorised Programme' in the run-up to the 1885 election.

The point of noting all of this is not simply to highlight the fact that there was clearly once a time when, unlike today, land was critical grist to the British political mill (although that is, in itself, important to recognize). It is also to observe that it was in this particular political context that substantial land acquisition by the state became a reality in Britain for the first time; indeed, the building of substantial public-land holdings could arguably have become possible only in such a political context. Between the 1870s and World War II, the British state, in the shape of an assortment of public bodies including, but not limited to, central government, would become a significant landowner – and public land accordingly became a significant feature of the British landscape.

This is not to suggest that 'the state', understood in the broadest possible sense, had never been a significant landowner. If one includes the Crown within one's definition of the state – and the Crown is formally part of the system of government in Britain, alongside the House of Commons and House of Lords – then of course things looked very different. For one thing, as we have already seen, the Crown is, with two exceptions, the only absolute owner of (all) British land; and one of those exceptions (Scotland) only became an exception in 2004. For another thing, there had historically been large quantities of land where the Crown was both the absolute and effective owner; using the tenure terms introduced earlier, it owned the freehold. Indeed, one estimate suggests that, as late as 1806, the monarch still owned

(in all senses of the term) about 20 per cent of English land by area.[1] The monarch was, in other words, one of the privileged few individuals whose extensive landholdings were 'outed' in the *Return.*

Until 1760, the revenues derived from the monarch's land provided her or him directly with income; since then, revenues have been surrendered annually to the exchequer. This land has always been managed and owned separately from what is generally referred to, including in this book, as Britain's 'public land' – that which is owned and managed by the state in its various ex-monarchical institutional guises. If you find the relationship between the two types of land confusing, rest assured that you are not the only one. Indeed, in 1955 a government committee recommended that, precisely in order to avoid confusion between public land (government property, albeit held 'of' the Crown) and Crown land (the monarch's property), the latter should be renamed the Crown Estate. It was, and the name still applies.[1]

And, in any event, when in the late nineteenth century there materialized germane conditions for a blossoming of public landownership, landownership by the Crown was heading in the other direction: it was in decline, had been for several decades (dropping to only around 200,000 acres, or less than 1 per cent of Britain, by 1890), and radicalisation of British land politics was hardly likely to help alleviate that tendency.[2]

Nationalizing the countryside

Substantive government acquisition of land began, unsurprisingly, in the countryside, and in direct connection to agriculture, long the primary seedbed of radical land politics. One of its principal objectives over the next several decades was to provide land for county council (local authority) farms. These were originally established in the 1890s to open up otherwise limited opportunities for young people who were not from the 'right' social backgrounds to enter agriculture. As Olivia Cooper notes, 'the initiative really took off after the First World War, amid concern over food security and a desire to provide a livelihood for returning soldiers'.[3]

The county council farming estate was given especially powerful impetus during the premiership of the Liberal, David Lloyd George. Associated with the land question more intimately than any other leading politician of his era, Lloyd George's famous Land Campaign of 1913 was stoked by rural

depopulation and the continuing tragic social fallout from enclosure; it drew, as Matthew Cragoe and Paul Readman note, on ‘roseate views of the pre-enclosure past’; and it argued, inter alia, for a minimum wage for agricultural workers, further reforms of land tenure laws, and the introduction of land-value taxation.[1] After World War I, Lloyd George ‘returned to “the land”’ in order, in Ian Packer’s words, to ‘revivify Liberalism’. Among other things, he introduced legislation to enable local authorities to acquire land more readily to establish smallholdings.[2] By 1926, the English council-farming estate already occupied 177,265 hectares – nearly 1.5 per cent of England’s total land area.[3]

Land was acquired in the countryside for a range of other reasons, too. After the geographer Gordon Clark, we can usefully parse these land acquisitions into two main types: firstly, those linked with the state developing functions that had not previously existed in any meaningful form; and secondly, those linked with the significant expansion of pre-existing state functions.[4] Clark adds to these two a third category of public-land acquisition – linked instead with the state undertaking activities that were formerly the preserve of private enterprise – but in rural areas, at least, this category did not assume much significance until after World War II. (Cities were a different matter, as we shall soon see.)

Clark’s chosen example of land acquisition in the first category is nature conservation, a late-nineteenth-century innovation in the West. In the 1930s, for example, the state took sizeable chunks of land into public ownership to enable the creation of London’s green belt.[5] In addition, the expansion of the publicly owned forest estate in this era, which is considered below, was certainly based partly on priorities of nature conservation.

But perhaps the most striking example of the state acquiring land in connection with the development of a novel function concerned an early exercise in interventionist state spatial planning, one tied in some areas of England to the growth of the county-council farming estate. The exercise in question was land resettlement. It had local variants in all parts of Britain. In England, 1934 saw the government establish the Land Settlement Association to resettle on the land unemployed workers from depressed industrial regions. Five acres of land were assigned per family, and recruitment to the scheme continued until the outbreak of World War II.[1] The Welsh Land Settlement Association, founded in 1936, followed on the heels of its English

counterpart.

Comfortably the most significant land resettlement programme, however, was Scottish, and was likewise designed to provide land and employment for ‘ex-servicemen, farm-workers and the unemployed.’[2] It operated from the 1890s through to the 1950s. Although it sometimes involved the state funding the creation of smallholdings on privately owned land, its principal modus operandi was land acquisition, and thus the accumulation of public land. The main legislative fillip to the programme, which began in the Highlands and Islands in the late 1890s, was provided by 1919’s Land Settlement (Scotland) Act. Large numbers of people were resettled during the next three decades, the geographic centre of gravity of resettlement shifting to the lowlands after 1930, and by 1955 the state owned 178 land settlement estates covering 182,000 hectares, or a little over 2 per cent of Scotland.[3] A notable legacy of the Scottish resettlement programme was the government’s high-profile crofting estates.

In his second category – land acquisition by the state specifically in connection with the upscaling of pre-existing state functions – Clark rightly highlights forestry and defence. While the acquisition of land for defence and forestry functions may not have had quite as significant an influence as acquisition for agricultural smallholdings in terms of actively facilitating new ways of living, the sheer amounts of land involved were far greater.

Firstly, consider forestry. The British state had long been active in the forestry sector, for instance in the provision of oak for naval purposes, but until 1919 it had no forest policy as such. ‘It took the rude shocks of the First World War’, it was later observed, ‘to bring home to Government the importance of timber as a raw material and the dangers of undue reliance upon imported supplies.’[4] Forestry and defence, in other words, were tightly interlinked. The 1919 Forestry Act established the Forestry Commission and gave it wide powers including, among other things, to ‘acquire land, promote the supply and conversion of timber [and] establish and carry on forest industries’.[1] It proceeded to do all these things, throughout Britain. Within a decade of its establishment, the Commission already owned and was managing around 600,000 acres (approximately 240,000 hectares) of land spread across 152 forests.[2] By 1934, a total of 909,000 acres had been acquired. And by 1949 the total under ownership had grown further to 1,560,000 acres (around 630,000 hectares, or close to 3 per cent of all British

land), of which 60 per cent was ‘actually under forest or destined for planting’ and 25 per cent was ‘let for grazing and other agricultural purposes’, with the bulk of the remainder comprising ‘peaty or rocky unplantable land and land subject to common rights’.[3]

Defence lands represent an even more striking case of early public-land acquisition. At the time of the *Return of Owners of Land*, Britain required domestically, Cahill calculates, only 165,000 acres (approximately 67,000 hectares) of land ‘to house and train its entire military force’.[4] And as late as the late 1930s, defence lands still accounted for as little as 102,000 hectares. But during World War II these lands mushroomed dramatically, reaching an all-time high total of 4,655,200 hectares in 1945.[5] That represented *over 20 per cent of the entire British land mass.* Certainly, much of this land had been acquired only on a temporary basis, to meet the country’s particular wartime exigencies. But as the geographer Rachel Woodward has observed, ‘although vast areas of land requisitioned during wartime were returned to their original owners, much was kept and used for the training and maintenance of the standing Armed Forces of the Cold War’.[6] The British state’s military function, in other words, had been permanently, not transitorily, upscaled; and an enlarged portfolio of public land was one equally permanent manifestation of this upscaling.

The urbanization of the land question

In Britain, questions of land, power and wealth have always been heavily inflected with a rural dimension, and everything we have seen so far in this chapter helps to explain why. In fact, so heavy is this inflection that when, in the early 1960s, the sociologist Ruth Glass groped for a suitable term to capture the process whereby working-class residential districts of London were ‘invaded’ and renovated by the middle classes, resulting in displacement of the original inhabitants, her preference was for a word laced with the rurality of the traditional British land–power–wealth nexus: ‘gentrification’.[1] Historically, the British landed gentry was, by definition, a rural gentry; ‘gentrification’ brought landed power and wealth to the city.

Yet, by the end of the nineteenth century, upwards of three-quarters of British people were already town or city dwellers. Britain had rapidly and profoundly urbanized – economically, socially and culturally. This transition had tremendously important consequences for the politics of the land

question and for the political economy of urban land. There was, in short, a certain inevitability to the fact that, as Britain urbanized, so in turn, eventually, would the land politics that, in the early twentieth century, increasingly exercised the nation. And this was precisely what happened: the city in general, and London in particular, became a new front in the political 'land war' as the land question 'mutated from a primarily rural to a largely urban issue'.[2]

Lloyd George's Liberals played an important role in the urbanization of the land question. Rural land issues remained pivotal to Liberal politics right through the interwar years, but urban land issues joined them on the agenda. Liberal thinkers connected the two sets of issues through the concept of 'landlordism' (today often labelled 'rentierism'), which denoted an economic system excessively dominated by rents paid by the many (landless tenants) to the few (the land-and-property-owning elite). They did so in two ways. First, they argued that landlordism in the countryside, underpinned by centuries of enclosure, had 'driven people off the land and into overcrowded and unsanitary slums'.[1] Second, they spied growing signs of landlordism in the city itself, and saw a progressive land-focused politics of a Polanyian ilk as the answer to urban social problems, just as it was their preferred solution to rural social problems. So, while the Liberals' land-reform proposals may have originated in the countryside, they took on a distinctive urban hue as, writes Packer,

> radicals came to see 'the land' as the solution for subjects as disparate as the crisis in local government finance, unemployment and housing shortages. What these topics had in common was a conviction in the Liberal Party that landlords must be responsible for many of the ills of urban society, just as they were for the difficulties of rural England.[2]

But if, as Peter Weiler says, early-twentieth-century land reform in Britain traditionally 'has been seen as essentially a Liberal policy' – and it has – Labour was definitely not indifferent; and the more urban the issue, the more of a distinctively Labour issue it often became.[3] (The Tories, as the landowners' party then and now, were invariably on the other side.) From 1918 onwards, the Labour Party was publicly committed to land reform, and the reforms it championed were often far more radical than those advocated by the Liberals. The most radical proposal of all was land nationalization, whereby the state would not just acquire *some* land, but would acquire and

own *all* land (see Chapter 1). In power, Labour leaders never actually made a formal attempt to nationalize the land.[4] Labour was far from unified on the philosophy, still less the practicalities, of land reform, and the interwar period featured marked tension between those in the party in favour of nationalization and those preferring a more moderate fiscal solution – namely, land value taxation – à la Lloyd George.[5] Nevertheless, Labour election manifestos contained the wording, 'Labour believes in land nationalisation', or words to that effect, until as late as 1945.[1]

It was in the context of an increasingly high-profile urban-land politics in the early twentieth century, then, that the state set about building a stock of urban public land as a complement to its growing stock of rural public land. But, whereas in the countryside land acquisitions by the state generally fell into one of the first two of Clark's three categories discussed earlier, in the city they were usually of the third type – namely, connected to the state undertaking activities that had formerly been the preserve of private enterprise. And the principal such activity was housing construction and supply.

Until after World War I, the state played only a very marginal role in housing provision in Britain. Only approximately 1 per cent of housing stock was state-owned in 1918: there was, to all intents and purposes, no meaningful public or 'social' housing sector.[2] But that all changed with the end of the war. As the dust settled on the conflict, the coalition government recognized all the key elements of an urban housing crisis – shortages of stock, poor living conditions, depressed levels of new-build – and determined to do something about it: to provide, in Lloyd George's memorable phrase, 'homes fit for heroes'.

The result was the birth of social housing. By the time World War II began, just over two decades later, more than 1 million households in England and Wales, equating to approximately 10 per cent of total households, were renting from the state in the form of the local authorities that built and operated so-called council housing.[3] And the key consideration for our purposes is that implementing this massive social housing programme clearly required not just funding and determination, but another essential asset: land. Local authorities had never been significant urban landowners. To secure the land on which to build, they proceeded to buy it, sometimes on the open market but more often than not by invoking powers of compulsory

purchase (expropriation). Such powers had been gradually strengthened, and extended to social welfare purposes, through late-nineteenth-century legislation such as the Public Health Act of 1875 and the Housing of the Working Classes Act of 1885 (which enabled local authorities to acquire land compulsorily to build lodging houses); new legislation in the first half of the twentieth century fortified and extended these powers still further.

In terms of land acquisition, and especially of its geography, the growth of public housing prior to World War II can be usefully split into two phases, the break-point occurring roughly around 1930. In the former phase, initiated by the Housing and Town Planning Act of 1919 and further buttressed by the 1924 Wheatley Act, land acquisition and social-housing construction was more 'peri-urban' than urban, most of the necessary land being acquired, as it was on Sheffield's outskirts, from major aristocratic landowners.[1] Britain's cities in this period saw only limited cases of what would become, in the 1930s, a much more pervasive and intensive phenomenon: inner-city slum clearance. Instead, social housing was developed more often on greenfield sites, and took the form there of garden estates. London, and the housing built by the London County Council (LCC), was a quintessential example. The LCC built nearly 24,000 houses and flats between 1919 and 1927, and more than half of these (12,130) were at just one peri-urban location: the vast Becontree estate in Dagenham, commenced in 1920 on a compulsorily acquired 3,000-acre site, whose population reached close to 100,000 people (in over 25,000 homes) by the early 1930s.[2]

In the 1930s the focus shifted to the inner city and to large residual stocks of private-rented slum housing. Empowered by the 1930 Housing Act to acquire and demolish such housing, local authorities across Britain enacted mass slum-clearance projects. Some of the ex-slum dwellers who needed to be rehoused remained in the inner city, moving into the council housing that was constructed there on the newly cleared land; but many, perhaps most, did not. In addition to acquiring slum-land and building on it, councils continued through the 1930s to acquire more outlying land, which not only was cheaper but could accommodate the relatively low-density estates favoured at that time.

Manchester was a prime example. The city council, Kivell and McKay show, had been steadily acquiring land since the mid nineteenth century, for example to develop inner-city parks. But these public-land holdings were small, totalling less than 400 hectares by 1890. Even by 1920, council

holdings had only grown to approximately 1,800 hectares. But slum clearance and social-housing construction then saw the extent of public land mushroom to around 5,600 hectares – nearly half of all land in the city – by the beginning of World War II. Many of the new estates built on compulsorily acquired land were in what were then peripheral locations.[1]

And so, across Britain, the state had by the onset of World War II become a major owner of urban as well as rural land. How much of British land in its totality was now public land? Reliable figures are not readily available, and it is impossible to derive an entirely dependable estimate from the bottom up; some public bodies do not know exactly how much land they own today, let alone what they (or their predecessors) owned as much as seventy years ago. Robert Home reckons that, at the time of World War II, the state owned a sixth of UK (as opposed to just British) land.[2] Given what we know about subsequent developments, to be discussed presently, a sixth feels a bit too high, at least for Britain – certainly once temporary wartime holdings of land for military purposes had been returned to their private owners. The overall public share was undoubtedly *higher* than 16–17 per cent when those temporary holdings were at their wartime peak; but once they had been relinquished, public landownership probably settled, the available evidence suggests, at around 12–14 per cent.

Post-War Consolidation

Expanding the estate

The period from the end of World War II to the end of the 1970s was essentially one of consolidation where public landownership in Britain was concerned. Significant new rounds of land acquisition certainly occurred, in both urban and rural regions, and connected to both existing state activities (such as forestry and housing) and new ones (such as health and network rail services). But the growth in the area of British land under public ownership was not as pronounced as it had been between the end of the nineteenth century and the middle of the twentieth. Nor of course was it as novel.

The primary spur to state land acquisition in the post-war era was the combined and connected influence of major public infrastructure investment guided by Keynesian economic policy and a substantial programme of nationalization. Let us take the latter first. When water supply, the railways,

the coal industry and a host of other activities were brought under public ownership by Clement Attlee's Labour administration between 1946 and 1951, the result was the nationalization not just of economic enterprises but of the assets – including the land – which those enterprises owned. Land was nationalized indirectly, if you like: rather than the land being acquired by the state for its own sake, or to enable a new undertaking of some sort, its change of ownership was a by-product of the nationalization of something else.

In terms of land area, these nationalizations were very significant. The National Coal Board, which was the public corporation established to run the coalmining industry, owned 258,000 acres (just over 100,000 hectares) in the late 1970s. British Rail's holdings, comprising primarily tracks and stations, were a little smaller, at 175,000 acres (in the same period).[1] The National Health Service (NHS) estate in England alone – '2,000 or so hospitals of various sizes, together with health centres, clinics, laundries, offices and residential accommodation' – still amounted to around 50,000 acres in 1982, even after a 'substantial increase' in disposals (see Chapter 5) since the beginning of the decade.[1] To these one can add the nationalized water boards, area electricity boards, and local authority gas supply undertakings.

In terms of land value, if not area, the post-war expansion of the state's role in investment in infrastructure, broadly defined, was probably more significant still. This expansion proceeded 'in line with the increasing scope of central and local government functions'.[2] While housing – council housing – was a core component of this augmented investment, the bulk of which was urban, it was not the only one. 'During the 1950s and 1960s', writes Howes, 'land was acquired and often cleared usually with plans for housing, or town centre redevelopment and new roads.'[3] In the first of these two decades (that is, the 1950s), the acquisition of land for infrastructure investment purposes was lubricated by newly favourable land valuation policy. Certain public bodies were able to compulsorily acquire land at its existing-use value (as distinct, note, from its existing use-value), even if they planned to develop the land and put it towards a more valuable use, for example converting agricultural to residential land. (Private buyers, meanwhile, had to pay market rates, as all public bodies had previously had to do.) This provision powerfully facilitated affordable public-sector land acquisition, even if, as Daniel Bentley notes, it is unclear how much resort public-sector buyers actually had to their compulsory purchase powers – 'the very existence of

this power held land prices down'.[4]

Among those bodies enjoying these powers were the 'new town' development corporations charged by 1946's New Towns Act with building – literally – new towns, especially to help ease acute housing shortages caused by the war.[5] 'Twenty-one new towns were developed in England (thirty-two in the UK) under this land-purchase framework in the post-war period'.[1] They included Bracknell, Crawley, Harlow, Hemel Hempstead and Stevenage. Some 18,000 acres (*c.* 7,300 hectares) needed to be acquired for the development of Milton Keynes, designated in 1967, alone. Almost all of this land was agricultural, comprising both large estates and individual farms. Notably, only a few acquisitions required the use of compulsory purchase orders.[2]

Of course, new towns were far from the only answer to post-war housing shortages. A major element of the post-war rebuilding process, socially as well as in infrastructural terms, was a huge new wave of investment in social housing across the entire nation. As we saw earlier, approximately a million English and Welsh homes – or 10 per cent of the total – had been socially rented at the outbreak of the war. The three-and-a-half decades following the war represented council housing's golden age, quantitatively if not necessarily qualitatively. Large quantities of new land were required to facilitate it (Sheffield City Council, for example, purchased an estimated 1,650 acres of land for housing between 1947 and 1982), and, under the terms of 1947's Town and Country Planning Act – a seminal piece of post-war legislation, which I explore in greater depth below – local authorities enjoyed through the late 1940s and the 1950s the same preferential ability to compulsorily acquire land at its existing-use value as the new town development corporations did.[3] By 1951, the number of socially rented households across Britain as a whole had grown to 2.6 million, equating to 19 per cent of all residential stock; by 1961, it had jumped to 4.4 million (27 per cent).[4] The Town and Country Planning Act of 1959 brought to an end local authorities' advantageous position in the land market, requiring them once more to purchase land for housing at its residential value.[1] But even though the cost of acquiring land for social housing rapidly escalated, and the scale of the acquisition program declined – John Montgomery described a typical case, Oxford, where the city council 'purchased relatively large quantities of land for housing developments, at reasonable prices, during the 1950s', with

the 1960s seeing a ‘marked reduction in land acquisition’ in the face of ‘higher prices for the purchase of smaller quantities of land’ – land continued to be acquired, and housing built.[2] By 1971, Britain had 5.8 million socially rented households (31 per cent of all stock), and growth continued until 1979, when an absolute peak of 6.6 million (32 per cent) was reached.[3]

The upshot of all this public investment in urban land was profound: British urban space literally became, in considerable measure, public space, inasmuch as its ownership lay substantially with the state. The degree of state ownership of urban space varied considerably: studies of British cities in the 1970s and early 1980s showed publicly owned land proportions ranging from a low end of one-third (Birmingham, Coventry and Plymouth) to a high end of 65 per cent (Manchester), with Newcastle (51 per cent), Nottingham (55 per cent) and Brighton (60 per cent) falling in between.[4] But whatever the variance, the average public share was clearly high – these were anything but private spaces. Kivell and McKay’s study of Manchester, referenced earlier, is especially valuable, as it provides greater granularity in terms of both which particular public bodies owned this public land and what it was used for. At the very end of the period we are concerned with in this chapter (1982), the vast bulk of public land in Manchester (nearly 90 per cent) was owned by Manchester City Council; the only other body holding more than 4 per cent was the British Railways Board. The main uses to which the council’s landholdings were put were, by area, housing (34 per cent), ‘land and development’ (28 per cent), recreation (13 per cent), cleansing (13 per cent) and education (6 per cent).[1]

Alongside land acquired in connection with urban infrastructural investment and the nationalization of private enterprises, the other main axis of post-war growth in public land holdings was forestry. When we set aside the history of the Forestry Commission in the previous section, in 1949, it had already amassed 630,000 hectares of forest land. But it was, in retrospect, only just getting started. The Commission continued to acquire land over the following three decades, and its holdings peaked, not coincidentally, at around the same time as the number of British households renting their homes from the state also peaked. By 1981, the quantity of forest land in public ownership across Britain had grown to 1,263,900 hectares, or over 5 per cent of the whole country. Of this, the majority (over 60 per cent) was in Scotland; in fact the 800,000 hectares of Scottish forest under public

ownership at this time represented 10 per cent of all Scottish land.[2]

As holdings of public land of all these types – urban and rural; centrally and municipally owned; English, Scottish and Welsh – burgeoned in the post-war decades, the question of the management and maintenance of what was increasingly referred to collectively as the 'public estate' became an increasingly salient one. Prior to the 1970s, there did not exist any integrated oversight or resource capability, except for building projects managed through the Ministry of Works (from 1962, the Ministry of Public Building and Works); each individual landholding public body looked after its own land and property portfolio. But, as holdings grew, central government saw potential to realize significant cost savings through the economies of scope and scale afforded by service consolidation across the estate. Such consolidation was eventually provided, from 1972, through the newly formed Property Services Agency (PSA), a centralized body responsible for overseeing and managing large parts of the estate, as well as for carrying out construction work.

Winds of change

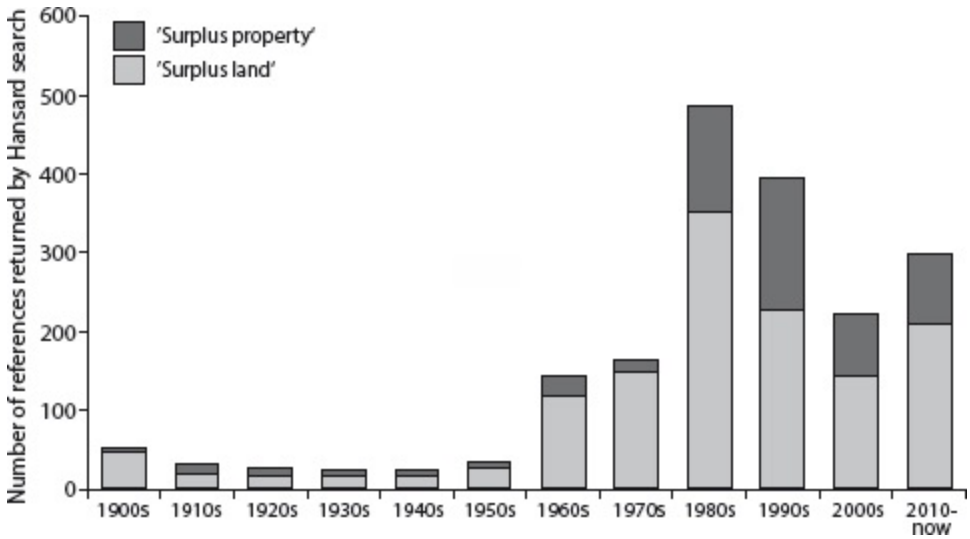
Of course, the idea of the government seeking out cost savings during the era of Keynesian 'stimulatory' economic policy jars with the image of pre-Thatcherite government economy that we have been fed in recent decades. Cost savings? In the public sector? Surely not! The public sector was endemically profligate, bloated. It had *carte blanche* to spend and waste to its heart's content. Indeed, one of many oddities of the ostensibly leftist critique of capitalism's so-called financialization *since* the 1980s – the argument that economic actors across the board, including the state, have become much more attuned to financial considerations and exigencies than they ever were previously – is that it tends to reinforce this image of a spendthrift pre-financialization state.

But that image was never an accurate one. One needs only the most passing knowledge of economic history to know that the British government obviously cared about costs and about financial rectitude before the Tories came to power in 1979 and the spectre of financialization appeared on the horizon. And it cared, among other things, specifically about the economics of the land. There had, for instance, long been provisions for ensuring that public land was not 'wasted', and for selling it if it was not put to use. There had also long been restrictions on public landholders developing 'speculative'

proposals regarding their projected land requirements. And there was a long history of pressure being applied from within Parliament for such provisions and restrictions to be strengthened.

In the 1960s and 1970s, however, this pressure, and the more 'commercial' or 'financial' mentality it aimed to nourish, palpably intensified. Change was in the air. Consider Figure 2.1, which charts the number of references to 'surplus land' and 'surplus property' in the British Parliament (both houses) for every decade since the beginning of the twentieth century. The chart evidences, in short, the historic ebb and flow of a discourse of public land 'excess'. And it shows something very striking and very important: from the beginning of the century until the end of the 1950s – during which time, as we have seen, the state was steadily accumulating significant landholdings across the country – there was very little political sense that any of this public land was surplus, or unneeded. The notion that, in public hands, the land was or might be 'wasted' became dominant, as the chart demonstrates, in the 1980s. But it did not materialize out of thin air. Debate about land surplus had already increased substantially in the 1960s and 1970s. In those two decades there were, in other words, discernible stirrings, or harbingers, of what was to come in the neoliberal period examined in the remaining chapters of this book.

Figure 2.1 References to 'surplus land' and 'surplus property' in UK Parliament, by decade



Source: Hansard

A clear signal was sent as early as 1962, when Macmillan's Conservatives were in power, in a Lords debate that is almost eerie in its similarity to debates that have been central to the British political economy in the past decade (and which I will discuss in detail later).[1] The Labour peer Lewis Silkin, who had been minister of town and country planning in the Attlee administration, asked what the government was doing 'to make more land available for development, and particularly for housing development'. Bladen Wilmer Hawke, a Tory, did not so much answer as state what he thought the government *should* be doing in this regard. Doubtful that the government was 'purging [its] own Departments of the surplus land which they hold all over the country in small pieces, probably in many cases almost forgotten', Hawke said there 'should be a vigorous search through every Department in the Government to see whether it is necessary for these pieces of land to be held, and whether they serve any useful purpose'. It fell to Edward Astley (Baron Hastings), parliamentary secretary to the housing minister Sir Keith Joseph and a staunch opponent of Labour land policy, to explain the government's actions. It was, he said, 'constantly reviewing [its] holdings of land all over the country', with 'a special drive to find land for housing' in London. 'Land not required' by government, he emphasized, 'will be released for use.'

So, pressure was already on. Surplus public land should be identified and shed – in this particular case, to enable housing development. Through the 1960s and 1970s, such pressure was experienced especially strongly in three particular areas of the public sector: transport, health and defence. A brief consideration of key developments in each of these areas will help illustrate both the ways in which, and the extent to which, the public-landownership tide was turning. A number of things become clear.

One is that land was already being sold, and that these sales were far from unproblematic. The NHS, for example, sold 730 hectares of land between 1975 and 1979.[1] And even those explicitly in favour of disposals of NHS and other public land – there were, as we will see, many ranged against the policy on point of principle – found cause for criticism. The report of an enquiry team charged in the early 1980s with reviewing arrangements for identifying further 'underused and surplus' NHS property noted that, 'to secure quick gains from the disposal of surplus property, individual buildings or plots of

land have often been sold without adequate thought about the part which such properties might play in the longer term strategy of a [health] District'. It was highly critical of these 'past ill-considered ventures into such land sales'.[2]

Not only was land already being sold, but, as suggested earlier, strict rules were in place to prevent public bodies from being – as Alan Greenspan, in another context, famously put it – 'irrationally exuberant' in their strategy and activities concerning landownership and use. The NHS, the aforementioned report emphasized, had a responsibility in this respect 'not to plan over-optimistically'.[3] So also did the body charged, at least until its abolition in 1962, with overseeing Britain's post-war nationalized transport system: the British Transport Commission (BTC). Furthermore, neither of these two bodies was permitted to engage in any commercial development of its land, surplus to operational needs or otherwise. In the BTC's case, any such activity was proscribed by the 1947 Transport Act, on two main grounds, as a 1960 Commons debate explained.[1] First, because it was felt that 'a nationalised industry should [not] be permitted to compete in a field which is normally reserved for private enterprise.' And the second ground? 'Any Minister and any Government would have to think very carefully before being prepared to give the Commission by legislation carte blanche to go ahead and spend a great deal more capital in developing properties on something of a speculative basis, because it must inevitably be of a speculative character.' So much, it would seem, for the profligate public sector. The BTC, in fact, had only two options for its surplus land: to sell it, or to let it to commercial developers ('in which case it can receive only the ground rent and not a rack rent').

What is also clear is that those public bodies which came under increasing pressure to identify and dispose of surplus land during the 1960s and 1970s frequently resisted such pressure. The BTC, for example, did, making it 'perfectly clear' that, although it had been selling land since as early as 1948, 'it would feel much happier if it had the opportunity of developing the property on a commercial basis instead of selling it'.[2] (British Rail, originally a trading brand of the BTC but which became an independent statutory corporation upon the latter's abolition, would sell another 32,000 hectares of land between 1964 and 1979.)[3] The Ministry of Defence (MoD) also kicked up a fuss when it, in turn, came under pressure to sell. This first meaningfully occurred in 1973, when, as Rachel Woodward says, the

Defence Lands Committee, guided partly by environmental concerns, ‘recommended the release of 40 sites totalling 19,000 acres and the possible disposal of a further 57 sites totalling 12,000 acres’. On this occasion, at least, the MoD achieved a qualified victory. Its argument that ‘the Army was central to the local economy of areas such as Dorset … and that a military presence should thus be maintained’ proved persuasive, and the Committee’s recommendations ‘were only partially implemented’.[1]

But if, in the early 1970s, resistance to pressure to dispose of public land could still sometimes bear fruit, it was clear enough which way the political wind was blowing. Pressure from Whitehall was intensifying. The establishment of the PSA in 1972 both reflected this trend and was perceived as a means of gathering the necessary information to establish where, across the breadth of the public estate, pressure could be most productively applied. For the PSA not only promised to deliver cost synergies through the consolidation of property service and maintenance activities. Insofar as its operations would enhance the visibility of the estate, the PSA could help central government to see more clearly which parts of the estate cost the most to maintain and which parts might be most valuable on the open market. Where could windfall gains from disposal be realized? This question became increasingly salient after 1976, when, hobbled by a weak currency and a domestic economy descending into stagflation, the government was forced to go cap-in-hand to the International Monetary Fund, and the latter insisted on improved state finances as a condition of ‘bailout’.[2]

Crucially, as well as increasingly impelling land disposal, the winds of change were by now also shaping what remained of public-sector land acquisition activities, which, subsequent to the changes in compulsory-purchase compensation guidelines at the end of the 1950s, had receded somewhat. This was not just a question of a diminishing availability of financing to make acquisitions, although this was certainly a feature of the mid-to-late 1970s.[3] Perhaps more strikingly, the financial or commercial mentality that we have so often been told was lacking in the pre-neoliberal, pre-financialization era, especially where the state was concerned, had steadily come to permeate the conditions under which acquisitions were made.

A prime example concerned what one contemporary wonderfully described as ‘the unhappy infant which came into the world as the

Community Land Bill and later, battered, mewling and puking, lay in the arms of its begetters as the Community Land Act 1975'.[1] I will discuss the form and objectives of this statute in the next subsection. Here, my interest is simply in how it required public bodies – specifically, local authorities – to act when acquiring land.

As Doreen Massey would later observe in a brilliant essay, local authorities received widespread criticism in the 1970s for behaving 'little better than property companies' when buying and developing land: 'The dominant consideration sometimes seems to have been more one of maximizing financial return than of maximizing social benefit'.[2] Sheffield City Council, which in this period assumed an active role in the development of office accommodation to become, effectively, a property speculator, represented a prime example.[3] Massey's argument was not that the critique of such behaviour was unfounded – 'it would be wrong simply to deny the problems' – but that it was important to ask *why* councils behaved in this way. Her answer was that legislation such as the Community Land Act obliged them to; or, at the very least, that it did 'little to ensure' that they could instead 'behave as socially-conscious landowners'. To all intents and purposes, the Act required councils to operate on a playing field 'fundamentally determined by the private market', and thus to ape the traits of private-sector developers. Her conclusion was pointed: 'The ultimate irony of course was that planners were then criticized for not being as good at the job as property companies were. The point is that they should not have been attempting to do the same job in the first place.'[4]

The land question revisited

In the period from the end of World War II through to the end of the 1970s, land issues remained the high-profile political concern in Britain that they had been in the first half of the twentieth century. And they remained a primary line of cleavage between the major parties, the Tories and Labour rarely seeing eye-to-eye on land-related matters.

Public ownership of the land was one bone of such contention. Labour stridently defended existing levels of public landownership, and was generally supportive of plans for further acquisition by public bodies. The Conservatives typically leant in the other direction. Arrayed around the two main parties, meanwhile, were other powerful actors with forceful opinions

on the subject, such that the debate featured the building, note Kivell and McKay, of broadly based ‘coalitions of interests for and against public ownership. Those in favour included broadly the political left, most planners, managers of nationalized industries, the Trades Unions and some local authorities. Those against were the political right, landowners, builders/developers, financial interests, private industrialists and the growing population of home owners.’[1]

But ownership was not the only important concern of post-war land politics as it pertained specifically to the role of the state. In fact, it was not even the most substantive or contentious concern. Debate raged much more fiercely about the nature and extent of the state’s role in shaping patterns of private land use and development – in particular through its powers of regulation and taxation. Measures were introduced in these regards that continue to have significant implications for land use and development in Britain to this day. Even though these measures and the accompanying political debate were not necessarily concerned with public landownership per se, they are crucial to my account in this book because they are intimately bound up with public landownership in terms of both policy and practice. The post-war land-use policy measures that I review briefly in the following paragraphs were not formulated, debated and implemented in isolation from public-landownership policy; they were part-and-parcel of a single universe of questions about land, the state and capitalist development, and in fact were frequently posited as policy alternatives *to* particular public-landownership policies, such as land nationalization. In other words, land use and landownership were two sides of the same policy coin, and must be analysed as such. Furthermore, these post-war land-use policies have shaped actually-existing British land markets so fundamentally that it is simply not possible to meaningfully examine questions of landownership – public or private, before the 1980s or since – without properly attending to them.

The first and most significant policy initiative came directly after the war. Embodied in the 1947 Town and Country Planning Act – in many respects the basic legislative scaffolding of Britain’s planning system to this day – it is extremely important to understand. This initiative was concerned in equal parts with giving the state, in the shape of local authorities, greater control over patterns of land use and development, and with giving it a financial stake in land-value gains. The latter element must be understood in the context of a long-running debate, polarized along Labour–Tory lines, over

what John Stuart Mill had termed the ‘unearned increment’ associated with land development (see Chapter 1). After the war the Left, inspired by Mill, Henry George and others, argued that land values, and thus increases in rents, are ‘created by the natural development of industrial society’ at large rather than by the individual actions of the land’s private owners.[1] Any gain in land value realized by private owners is, on this way of thinking, unearned; such a view had long motivated, and indeed still motivates, calls – such as the one made by Lloyd George – for land-value taxation. The Right fundamentally disagreed.

But why was this issue of land-value gains pertinent specifically to legislation focused on urban and rural planning? Because, it was argued, planning regulation can have enormous implications for how valuable different pieces of land are. Think of it this way: if there are two pieces of privately owned, undeveloped land where development was formerly proscribed, and the state’s planners decide that development can proceed on one of them but not the other, this is highly likely to affect the relative values of the land plots in question. And this is especially true where developable land is in short supply – as, in large parts of urban Britain after the war, it was, and still is. As Andrew Cox remarks, ‘the granting of planning permissions in a market where demand is high is bound to create values which tend to be privately realised’.[1]

And this was precisely what the 1947 Act risked facilitating unless it included some kind of provision to prevent unearned financial increments, because giving local authorities meaningful control over land development was what the Act was fundamentally all about. Local authorities had been involved in land-use planning in Britain since as far back as 1909.[2] But the 1947 Act was crucial, giving authorities far more power than hitherto, insofar as it said that development or substantive change of use on any land could henceforth only take place with local-authority permission – the policy was, in this sense, a form of nationalization, namely of land-development rights. The Act’s authors thus insisted that something must be done to stop private owners capturing the unearned land-value uplift that would follow the granting of planning permission. That ‘something’ was a development charge, or so-called betterment levy: ‘Where development permission was granted, the land owner was required to pay a betterment levy, or development tax, which was set at 100 per cent [of the increase in value

associated with development permission].'[3]

To be sure, this was not land nationalization. Nevertheless, as an 'alternative line of approach to the land problem', in the words of the then chancellor, Hugh Dalton, the Act was clearly regarded by its creators as a waystation on the path to nationalization, which accounted partly for its significance. 'We are moving towards the nationalisation of the land', Dalton proclaimed in parliamentary reading of the Bill, 'and not by slow steps.'[4] Indeed, he promised that with the one-two punch of the development tax and the new compulsory purchase compensation guidelines also introduced by the Act (see above), 'the rate of transfer of land from private to public ownership will be … particularly accelerated'. Why? Because, on the one hand, private landowners would be denied the value gain generated by planning permission, and would therefore be less likely to hold onto undeveloped land in the hope of securing such permission; and, on the other, local authorities would henceforth find purchase of non-residential land more affordable. Dalton even harked back to the history of enclosure to underline the Act's significance:

> Somebody has said to me, poetically perhaps, 'This Bill is the workers' revenge for the enclosures.' There is something to be said for that. That is a reference to the time when the Government of this country rested in the hands of a tiny minority of privileged, rich men. That is no longer so. Today, we are placing the national interest first.

But the national interest would not remain thus privileged for long. The Conservatives returned to power in 1951, and with them the narrow interests of private landowners. So, while the Tories 'accepted', somewhat grudgingly, 'that land use planning was now permanent', they set about dismantling the development tax, or betterment levy, as quickly as possible, and by 1953 it was gone.[1]

Two subsequent Labour initiatives along similar lines were also promptly stymied. First was a modified version of the betterment levy, introduced by Harold Wilson's first administration (1964–70). Privatized land-value gains remained anathema to the Left – the influential Labour politician and thinker Anthony Crosland, writing in 1962, had described them as 'the most unearned of all unearned increments' – and 1967 saw the establishment of a central-government Land Commission to 'take into public ownership, by agreement or compulsory purchase, any land needed for development' (thus

nationalizing development land itself, in addition to the development rights nationalized in 1947).[2] The Commission 'would then either develop the land itself, or sell it on at full development price', thus precluding the privatized realization of unearned increments.[1] But complexity and bureaucracy hampered the Commission's tasks, and its impact had been minimal when, in 1970, Ted Heath's incoming Tory administration summarily abolished it.

Last of all, during Wilson's second term in office, came the above-mentioned Community Land Act (1975) and, following swiftly on its heels, the Development Land Tax (1976). The former enabled the state acquisition of development land, only this time by local rather than (as per the Land Commission) central government; the latter represented a tax on private landowners aimed at socializing the bulk (80 per cent) of gains conferred by planning permission. But this new policy combination proved barely more effective than the Land Commission, and after 1979 both were consigned to the policy dustbin by the Thatcher administration.

With the benefit of hindsight, it is clear that the two-part 1975/76 Labour land policy initiative was more significant for the underlying political-economic dynamics to which it represented a response than for any substantive impact it might have had. Change was in the air in terms of not only public, but also private landownership trends. A new type of landownership was becoming increasingly prevalent. This was what Massey and Catalano, in their epic 1978 study of capitalism and land in Britain, called 'financial landownership'.[2] A form of landownership practised by insurance companies, pension funds, property companies, and banks, the predominant interest of financial landownership was typically in the value of land as a capital asset more than 'in the immediate potential for production or current rent levels'.[3] This was what David Harvey would subsequently theorise as the treatment of land as a pure financial asset (Chapter 1), and in its purest possible form.[4] Financial landownership entailed, at heart, speculation – that the value of the land would go up rather than down; and in particular, it entailed speculation tied to potential development gains.

Of course, such speculation was not in itself new to Britain. There had long been buyers of land interested above all in reaping development-based 'unearned increments'. Indeed, Dalton, as previously intimated, in 1947 had seen a major contribution of the Town and Country Planning Act and its betterment levy as forestalling such speculative behaviour. 'This source of

land speculation will be stopped for ever', he promised. 'In future, no land that is privately owned will have a value in the hands of the private owner simply because he thinks that some day somebody will develop it, or that some day an open field will be built upon. All that is finished.'[1]

If only … The 1947 levy, as we know, was soon jettisoned, and two decades later speculation in land, through the financial form of landownership, was becoming nothing less than the pre-eminent feature of the British land market.[2] The early 1970s witnessed 'massive increases in land prices and intense speculation'.[3] It was these that the Community Land Act and Development Land Tax sought, ultimately unsuccessfully, to counteract. Both elicited widespread hostility from financial institutions and property companies, the land tax proving especially contentious. This was hardly surprising. As Massey and Catalano recognized, the tax threatened to deal 'a direct blow to the economic basis of private landownership, and particularly of financial landownership, the [form of ownership] most involved in land development'.[4]

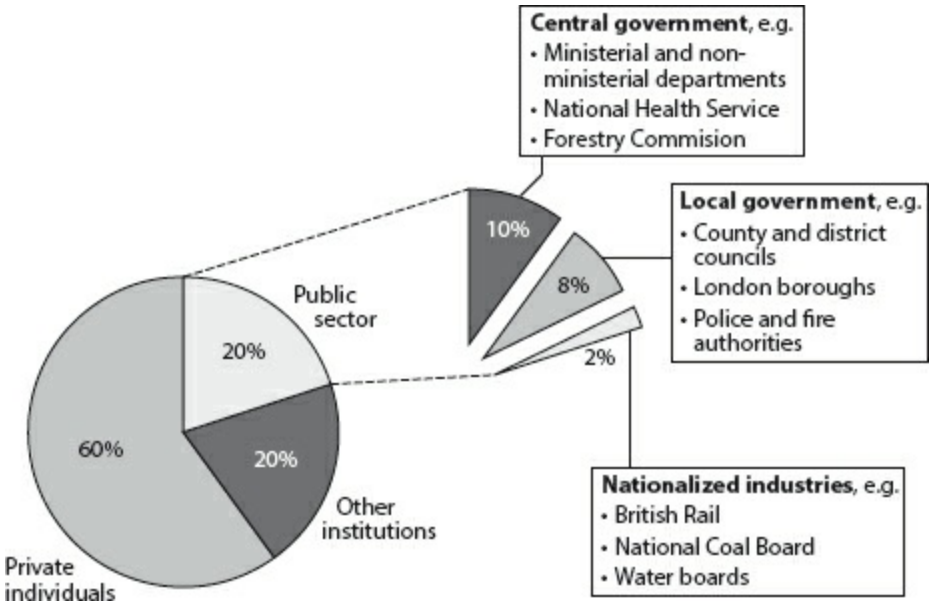
All of this history continues to resonate powerfully today. There are ongoing issues related specifically to public landownership that, as we will see, can only be understood with reference to this history. And contemporary British capitalism more broadly remains haunted both by the speculative-landownership dynamics that deepened in the post-war decades and by the state's failure to meaningfully mitigate them. For, as commentators even as conservative as the *Financial Times's* Martin Wolf admit, twenty-first-century British capitalism is dominated to an extraordinary degree by 'ruinous trust in land speculation as the route to wealth'.[1] This dependency became entrenched in the 1960s and 1970s with the rise of financial landownership. The enduring irony, of course, is that whereas, in Weiler's words, 'the property speculator came to represent all that was wrong with post-war British capitalism' (at least in Labour's telling), the same speculator – the hero of a myriad television property shows – has somehow come to represent much of what is today deemed right.[2]

Landownership on the eve of neoliberalism

Given all of the significant post-war developments in public and private landownership traced in the preceding pages, what was the overall pattern of landownership in Britain when, in 1979, the Conservatives returned to power

under the leadership of Margaret Thatcher? How significant were the inroads, for example, that financial landownership had made? And how much more land, in particular, did the state now own than the 12–14 per cent share it had accumulated by the end of World War II? Figure 2.2 provides an approximation. It is based on research into landownership patterns conducted in the mid 1970s, primarily by Massey and collaborators.[3]

Figure 2.2 Approximate shares of British landownership by area, late 1970s



Source: Author (based on sources cited in the text)

A number of features of Figure 2.2 warrant elaboration. The first and most important is that it shows proportions of landownership by area; it does not apportion ownership by monetary (market) value. A chart estimating shares of ownership by value – which, for several reasons, would be enormously difficult to produce – would probably look very different. The various types of owner encompassed by Figure 2.2 owned land with widely varying uses, and located in various parts of Britain, and use and location both profoundly influence the value of land. The Department for Communities and Local Government, for example, estimates that, on average, English residential land (£6 million per hectare) is today 12.5 times more valuable than industrial land (£482,000) and nearly 300 times more valuable than agricultural land (£21,000); and the premium vis-à-vis

agricultural land would have been larger still four decades ago, growth in agricultural land prices having outstripped even growth in residential land prices in recent decades.[1] Meanwhile, geographic differences, at least where residential land is concerned, are just as great: residential land in the most expensive English location (the City of London: £100 million per hectare) is nearly 300 times more valuable than in the cheapest locations (£370,000).[2] Thus, some landowners, such as London boroughs, will have enjoyed a share of landownership by value considerably greater than by area (the basis of Figure 2.2), while others will have had a much smaller value-based than areal share.

A second important feature of Figure 2.2 flows from the first. This is that certain types of land and land use are distributed across several categories of owner: there is, in other words, no one-to-one mapping of ownership to usage, or indeed anything like it. This may be an obvious statement, but it is worth emphasizing nonetheless. Residential land, for instance, was owned primarily by the public sector, as social housing, and by private individuals. Ownership of farmland was significant in all three ownership categories, in the shape, respectively, of owner-occupied farms, the county-council farming estate, and, in the 'other institutions' category, farmland acquired as an investment by financial institutions. And so too, interestingly, was ownership of what remained of Britain's common land – a significant proportion was owned by local authorities, but some was still owned by the landed gentry, and some by charitable institutions like the National Trust.

What more needs to be said about the make-up of each main category? Where private individuals were concerned, the landed aristocracy remained remarkably prominent, despite the fact that the growth of homeownership in the post-war decades had seen a broadening of private landownership, with owner-occupation having mushroomed to around 55 per cent of British housing stock – and nearly 12 million households – by the end of the 1970s.[1] According to Cahill, 'more than a third' of all British land was 'still in the hands of aristocrats and traditional landed gentry' as recently as 2010.[2] In the late 1970s, the proportion must have been somewhat higher yet, perhaps between 35 and 40 per cent – certainly more than half, at any rate, of the approximately 60 per cent of British land owned by private individuals of all types. So much for Britain's budding 'property-owning democracy' too, then: 'while the least wealthy have the least access to land', Massey and Catalano

observed at the time, ‘at the other end of the wealth spectrum no form of wealth is as heavily concentrated in the hands of the richest individuals’.[3]

In terms of the ‘other institutions’ category in Figure 2.2, four types of owner stand out – but it is not at all easy to apportion shares of ownership between them. Holding perhaps 5 per cent of British land in total were the first two, essentially non-commercial, institutional-owner types: the Crown Estate (with, still, less than 1 per cent of the land) and what Massey, perhaps with a degree of irony, referred to collectively as Britain’s other ‘venerable institutions’: the church, universities, and conservation charities such as the National Trust. If the 5 per cent estimate is broadly right, this would imply that approximately 15 per cent of land was owned by the two main types of commercial institutions: industrial landowners (by whom, *pace* Massey, land ‘is owned because it is a condition of production’) and financial landowners (for whom land is ‘just another sector to invest in’).[1] All the evidence suggests that the amount of land owned by financial landowners had been increasing apace throughout the post-war decades.

Finally, there is the public sector, our main object of inquiry from this point on, which now owned as much as a fifth of all British land.[2] Figure 2.2 shows the approximate split between central government, local government and the nationalized industries. Within the mix, the single largest owner by area, needless to say, was the Forestry Commission, which by itself accounted for more than half of the 10 per cent held by central government in its various guises. The Ministry of Defence was another very significant central government landowner. ‘About one-third’ of land owned by local government, meanwhile, was ‘actually common land.’[3] In any event, public landownership was at an all-time high when, in May 1979, Thatcher entered Downing Street.

CHAPTER 3

Discourses of Surplus and Efficiency: Preparing the Land for Sale

On 4 May 1979, Margaret Thatcher became UK prime minister. Forty days later, her new secretary of state for the environment, Michael Heseltine was asked by fellow Tory politician William Shelton about 'the policy of the Government with regard to disposal of public sector land which is surplus to requirements'. Heseltine replied as follows:

> It is of the greatest importance that suitable land should be made available for housing, industrial and other necessary developments. The Government believe that all land which is currently held by public authorities surplus to requirements should be offered for sale as soon as practicable. The Government are asking for public authorities to act on this premise.[1]

Just over a month into Britain's neoliberal era, the disposal of public land was already firmly on the political agenda. It has remained there ever since.

After the best part of a century of accumulating land under ownership, why, from the very end of the 1970s, did the British state effect a *volte-face* and set about determinedly shedding land under ownership? This chapter tries to answer this question. The *volte-face* was not as sudden as has sometimes been suggested; as we saw in the previous chapter, winds of change – or at least the occasional, unmistakable gust – had been in the air

for a decade and perhaps longer, selected public bodies coming under pressure, principally from Whitehall, to shrink landholdings. Nevertheless, the change of government in 1979 really did bring about a sea-change in the prevailing approach to public landownership. A standpoint largely in favour of public ownership and of net acquisition became one wholly against ownership, and thus wholly in favour of disposal. Why? This sea-change demands an explanation, and the explanation – that is, the logic of disposal, its rationale and the assumptions embedded in it – in turn demands critical scrutiny.

What follows explicitly eschews conspiracy theory. In recent years, in particular, critics on the Left have often suggested that certain policy agendas closely associated with neoliberalism – perhaps most notably post–financial crisis austerity policies – should be understood not in terms of their stated justification but instead as reflecting some veiled, altogether more nefarious logic. Austerity in Britain, one such argument runs, is not really about cutting government budget deficits, which is how it has been legitimized, or not primarily that, but is actually mainly about the Conservative Right trying to complete the job of working-class immiseration and capitalist-class empowerment that Thatcherism left unfinished.

My concern with arguments of this sort is that they are inherently speculative. They may be right; but ultimately we do not know, unless of course one of the protagonists lets slip. Better, I think, to focus on what we do know. In the context of austerity policy, for example, we know that austerity in Britain has widened socioeconomic divides (whether that was the intention or not), and that it has negatively impacted growth and employment.[1] We know that balancing the public-sector books was the stated rationale. And, crucially, we also know that this rationale itself was and is suspect – not so much in the sense that we should suspect it of insincerity, but in the sense of relying on contestable economic theory and assumptions. The most robust and effective critique of austerity policy, it seems to me, is therefore one that critically examines processes, outcomes, and the stated rationale.

This, therefore, is the approach I take to the post-1970s state initiative of selling public land in Britain. I examine processes (see Chapter 4), outcomes (see Chapter 5) and, in the current chapter, the stated rationale. Rather than assuming a hidden agenda – which may have existed, but for which we have no evidence – I examine closely and carefully the reasons that have actually

been given for disposal. Do these reasons withstand critical scrutiny? Does the logic hold up when placed under the microscope? What assumptions does the given rationale rely upon? And are such assumptions in fact valid?

Setting the Discursive Scene

To a certain degree, the UK government's reasons for selling public land have been consistent with its reasons for selling public assets more generally. While I refer to this near-forty-year process in terms of 'enclosure' in order to capture both its historical resonances and its spatiality, the process in question obviously is, inter alia, a process of privatization. A public asset – land – has been widely privatized. But although, as we will shortly see, the logic of public-land disposal partly mirrors the logic of privatization in general, they are not interchangeable. For one thing, the land-disposal logic displays specificities associated with land's own specificity – land's role, for example, as one of the classical economists' three 'factors of production', those 'inputs' used in production processes to generate 'outputs' (goods and services) – that set it apart from a more generalized logic of privatization. Moreover, some of the most important and influential arguments invoked in support of privatization in other spheres do not and cannot apply to land.

Perhaps the best example in the latter regard is the competition argument. As James Meek observes in his study of privatization – albeit excluding explicit land privatization – in Britain, competition has been a pivotal rationale for selling many state enterprises: 'Most importantly, they'd have to compete with other firms … Competing for business and profits with other firms in the marketplace, they'd be forced to cut superfluous workers, invest in new technology and try new ideas.'[1] Thanks to competition, privatized enterprises would become, in a word, more efficient. But while 'efficiency' has been part of the logic of land privatization, too, competition has not. How could it be? Land per se is not a potentially competitive actor, like an economic enterprise. Just as importantly, private landownership is, by definition, monopolistic; the legal power to exclude is part-and-parcel of what one acquires when acquiring private property in land (see Chapter 1). As David Harvey has argued, monopoly power over the use of land, which is the basis of all land rent, is 'implied by the very condition of landownership [and] can never be entirely stripped of its monopolistic aspects'.[2]

The logic of public-land privatization has therefore had its own particular flavour, which we need to identify and interrogate. Before doing so, however, some words are necessary on whose logic – indeed, whose privatization program – this has been. As I emphasized in the Introduction, and as Chapter 4 will show, the privatization initiative of the past four decades has not developed mysteriously of its own accord – there has not been a guiding ghost in the machine, leading public bodies unwittingly to shed land. But neither did all the various bodies that have been selling land – from the smallest local authorities to the biggest ministerial departments – decide independently that doing so was the right course of action, and proceed accordingly. Rather, the logic of land privatization has for the most part been formulated and articulated centrally, in Whitehall, and has been propagated outwards (and essentially downwards) from there. Sometimes, as we will see, the logic has been accompanied by firm, unequivocal instructions to sell, issued to Britain's assorted public bodies; at other times, public-land policy has been less prescriptive. In some cases those various public bodies have concurred with the logic and have been happy to relinquish their land; in other cases, they have not. The key fact, in any event, is that modern-day enclosure in Britain has been determined, directive and deliberate; it has been, in short, *a project.*

Can we be more precise still about whose project and logic? We can. The first thing to be clear about is the specificity of 'Whitehall'. If, as I suggest, it is Whitehall that has driven land privatization and been the most influential public proponent of its logic, who or what exactly do I mean by 'Whitehall' in this particular context? The answer is first and foremost the prime minister's office and the government's self-proclaimed 'corporate headquarters', comprising Her Majesty's (HM) Treasury and the Cabinet Office.[1] The National Audit Office, whose task it is 'to hold government departments and other bodies to account for how they use public money', has, unsurprisingly, also played an important ideological as well as practical role.[2] So too, lastly, have those centralized bodies created explicitly to oversee the public estate and to coordinate the government's strategy in relation to it: most notably, from within the Treasury, the Office of Government Commerce (2000–11), and subsequently, from within the Cabinet Office, the Government Property Unit (2010 up to the present). While the logic of land privatization and the accompanying disposal imperative have featured especially strongly during periods of Conservative

rule (1979–97; 2015 to the present) and that of a Conservative-led coalition (2010–15), they definitely did not disappear under New Labour (1997–2010).

But it would be misleading, I believe, to suggest that land privatization has been only a state project. To be sure, the state must directly enact it, since the state is the owner of public land. But the state, as we all know, is subject to all manner of 'outside' influences. The private sector has shaped land privatization in Britain in innumerable forceful ways. Indeed, in some respects the private sector is not, of course, 'outside' the state at all, least of all where land and landownership are concerned (see Chapter 1). Recent estimates, for instance, suggest that around one-fifth of all members of Parliament – and approximately 30 per cent of Conservative MPs – are landlords.[3] In significant measure, therefore, the private sector, or more specifically capitalist property interests, influences the state from the inside as well as the outside.

How, then, has the private sector shaped British land privatization? It has increasingly been involved in handling the practicalities of privatization, as the state's own logistical capacities have been relentlessly hollowed out (see Chapter 4). It has also, as this chapter will show, provided much of the most persuasive thinking around the logics of privatization. The government has repeatedly deferred explicitly to these arguments, invoking the 'expertise' of thinkers at institutions such as the Adam Smith Institute and the Institute of Economic Affairs. More generally, those arguments have permeated and coloured Whitehall's own ideas and discourse, the latter becoming a variant or offspring of the former. In other words, the government's rationale for privatization that I examine in this chapter is in fact, to one degree or another, a private-sector logic.

Neither, of course, is private-sector influence limited to ideas and hands-on 'assistance'. The private sector also cajoles. It recommends. It *lobbies.* And its lobbying is often underwritten or accompanied by monetary payment. In March 2014, the following headline appeared in London's *Evening Standard:* 'Sell Public Land to Solve Housing Crisis, Boris Johnson Is Told.'[1] And in this case it was not Whitehall doing the telling. Johnson, then London mayor, was being instructed to privatize public land in the capital by London First, a business lobby group. He would hear the same message from the Berkeley Group, one of Britain's leading property developers. In 2012, Johnson had commissioned the development analysts Molior to research barriers to housing delivery in London, which prompted Berkeley in 2015 to

proffer its own diagnosis and advice regarding the same issue: ‘Despite the housing crisis and need for the public sector to raise funds, public sector land is not being released quickly enough for development’. The solution? ‘Public land should be urgently released to deliver new homes’ (preferably, needless to say, to the Berkeley Group itself).[2] Similar injunctions have been made across the length and breadth of Britain over the past four decades, to public bodies both local and national: ‘Sell public land!’ Often those injunctions, like London First’s, have been issued in public, and we will encounter more of them, some more subtle than others. But one imagines many have also been made in private, behind closed doors.

In 2014, Aditya Chakrabortty reported on a particularly striking and pertinent example of lobbying. Boris Johnson was again involved. London was for the first time hosting the UK’s own version of the annual property sector shindig MIPIM, held in Cannes. Chakrabortty described how each year ‘big money developers invite town hall executives for secret discussions aboard private yachts’ – in 2013, Australia’s Lend Lease had flown to Cannes the head of the very London council, Southwark, from which it acquired London’s Heygate council estate at what Chakrabortty called ‘a knockdown price’ (see Chapter 5) – and he raged that ‘in a shamefully undemocratic development system, this is one of the most untransparent forums of the lot’. For Chakrabortty, it was clear that MIPIM UK, where Johnson would be joined by ‘council delegations from Glasgow through Leeds and Liverpool and down to Croydon’, had the appropriation of public land as its singular objective:

> Starting this Wednesday, 4,000 men (and, yes, they’ll mainly be men) will gather in a giant hall in London. Among them will be major property developers, billionaire investors and officials of your local council or one nearby. And what they’ll discuss will be the sale of public real estate, prime land already owned by you and me, to the private sector. The marketing people brand this a property trade show, but let’s drop the euphemisms and call it the sales fair to flog off Britain.[1]

Private-sector lobbying around landownership, in short, is a crucial part of the story of this book. But it is not one I examine in significant detail. The reason for not doing so, and for focusing instead on the stated rationale for privatization (whatever might be the private-sector interests mobilizing behind and crafting these discourses), is straightforward: very little information about the extent and details of lobbying is publicly available, and

determining its efficacy is notoriously difficult. But we know it happens. In the case in hand, there is a clear symmetry or alignment between input (lobbying) and output (land privatization and its beneficiaries) that is impossible to ignore or dispute. The two corporate sectors that have arguably benefited most from land privatization in Britain are the property sector (developers, housebuilders and investors) and financial institutions: as far as we can tell, they have been the biggest buyers of disposed land (see Chapter 5). At the same time, the same two sectors have long been significant Conservative Party donors – the very biggest two since 2015, for example, during which time the pace of land privatization has accelerated.[1] Is this symmetry coincidental? It seems unlikely. Those capitalists making the greatest windfall gains from land privatization are also those funding the party most responsible for its enactment.

Does this mean, then, that the privatization of land in neoliberal Britain – like neoliberalism more broadly, as David Harvey understands it – is ultimately a class project, as well as (or even rather than) the project of a state gripped by neoliberal fervour?[2] The evidence that would be necessary to make such an argument is simply not available. It is not beyond the bounds of credibility, however. Class interests – capitalist interests – evidently have been a significant factor. But, for all their lavish performance at events like MIPIM, they have operated largely in the background, and largely out of sight. I therefore focus in this book on privatization as, at least proximately, a state project, whether or not the state in this case really is the organizing committee of the capitalist class. I begin, in this chapter, with the question of what motivates privatization, if not solely the priority of doing capitalists' bidding. The following section outlines the overarching logic of land privatization, as articulated by the government. It identifies the key components of this logic and explains how they fit together. The following four sections of the chapter then flesh out this skeletal logic more systematically, bone by bone, with relevant examples, and at the same time subject it to sustained critical examination.

Why Privatize Public Land?

Over the past four decades, the rationale for privatizing public land in Britain has been subject to wrinkles and idiosyncrasies here and there, as the logic

has necessarily evolved and adapted to circumstances, and I will attend to many of these later in the chapter. But it has run broadly as follows.

The public sector, it is said, possesses vast swathes of unused and thus ‘surplus’ land. This is partly an indirect consequence of general public-sector wastefulness – failure to pay close attention to assets under ownership, to think and act purposively about their potential for utilization or about the possibility of disposal, and so on. But, we are told, it is also a direct consequence of an altogether more disreputable state behaviour: the deliberate ‘hoarding’ of public land – and not just any land, but often highly valuable land.

Not only does the state purportedly own large quantities of land not being used, moreover – it actually needs only some of the land that it is in fact using. Its use of land and property, in other words, is inherently inefficient. Thus the archetypal British public body envisioned by those arguing for land disposal would be one owning, say, 1,000 hectares, but using only 800, while needing to use only 600. How, according to purveyors of this logic, should we understand the public sector’s inefficient landownership? As a function primarily of the absence of profit-driven, market-based mechanisms of allocation and use. This is the ‘inherent’ part. It is the privileging of commercial market mechanisms that makes the private sector a more efficient owner and user of land and property than the public sector, by its very nature, can ever be.

There are three especially crucial dimensions to the public sector’s alleged inefficiency in the area of the ownership and use of land and property. First, whatever steps are taken to improve efficiencies, the public estate will continue to contain land-in-use that is not actually needed precisely because it is the public estate. Inefficiency is inherent to its ‘publicness’. Second, if efficiency is the ratio of output to input, then using land more efficiently means using less of it to produce the same results; and thus, making the public sector more efficient in its use of land actually creates idle (unused) surplus by freeing up land no longer required. This, then, leads to the third and final key dimension. ‘Surplus’ public land, according to the predominant logic, can clearly be either pre-existing or produced. Some (bad) surplus simply comes with the territory of being a careless public body apt to hoarding; other (good) surplus is crystallized through operational efficiency improvements.

Whatever its provenance, surplus public land, it is maintained, can and

should be actively identified, because it can and should be sold; identification is necessary for, and thus justified by, sale. I will turn shortly to the all-important rationale for sale itself, but it bears noting first of all that, for some advocates of disposal, it is not only Britain's 'surplus' public land that should be sold. They say that, unless there are exceptional mitigating circumstances, for instance pertaining to national security (as in the case of lands used by the military), public land can and should be sold, whether surplus or not. Why? Because, of course, of the public sector's inefficiency. Land is used more efficiently by the private sector. Hence the state – and, through the state, the tax-paying public – is better off selling land it uses to a private operator, and then leasing it back, because the private operator will manage the land more cost-effectively than the public sector does, and hence the cost to the public will ultimately be lower.[1] Much the same logic, of course, has been applied to the privatization of utilities and other state assets.

But although there are certainly prominent examples from recent decades of the British state selling and then leasing back land and property not deemed surplus to requirements (see Chapter 5), 'surplus' land has nonetheless been the consistent, primary focus of the land-privatization project, and I prioritize it accordingly. Why, then, should it be sold? Arguably, at least for those in favour of privatization, no explicit legitimation is really required. The label 'surplus' or 'waste' is, or should be, sufficient. Of course wasted or surplus land should be sold! What could be more negligent or irresponsible than hanging on to an asset that one is not using?

Still, whether it is strictly necessary or not, explicit arguments as to why surplus land should be sold have been widely mobilized. One of the most common and influential has been the argument that, while the state has nothing directly to lose by selling surplus land, since the land is not in use, it has much directly to gain. In particular, it gains money, part of which it can reinvest in public services. Sitting on an unused asset, the advisable course of action is surely to sell the asset to an actor who can find a use for it, and will therefore be prepared to pay for it. Needless to say, this argument has proved especially useful to the government in the years since the financial crisis of 2007–09. With the national (public) debt expanding from less than 50 per cent of annual national economic output in 2007 to, at the time of writing, approximately 90 per cent, the government has increasingly pointed to the sale of surplus land as one way of helping to 'balance the books'.

The government has also periodically claimed that hanging on to surplus

land is economically damaging per se. This is a slightly different argument. The suggestion here is not so much that keeping unused land in public hands generates no net benefits, or at least not only that. It is that doing so actively generates disbenefits, or what economists call ‘negative externalities’. The very existence of surplus public land holds society back – it retards ‘progress’, as opposed to merely not positively fostering it. This is another obvious reason for disposing of it.

Meanwhile, advocates of scaling down the public estate maintain that the potential gains extend far beyond the one-off boost to the public coffers provided by the proceeds of disposal and elimination of any ongoing state costs associated with maintaining the land in question. These further alleged gains all relate to the professed ability of the private sector to leverage newly acquired land to provide wide social and economic benefits. Three particular types of benefits figure centrally in this discourse.

The first are growth benefits: by releasing unused land to the private sector, it is argued, the state enables the latter to generate higher levels of economic growth than would be possible if such land remained in public ownership. The second type of benefit is closely tied to the first. This is an employment benefit: with more land, the private sector can deliver more jobs as well as more growth. And last, but definitely not least, there is a housing benefit. More land means more houses. Like the argument about selling land to help reduce the government debt pile, the argument about selling land to boost housing production has had particular salience in recent years. Just as it has been widely claimed – not least by the government itself – that Britain carries an unsustainable debt burden, so also has it been widely claimed that many parts of the country face acute housing shortages. In the contemporary political context of perceived housing and debt crises, in short, the supposed potential for the disposal of public land to make a positive contribution – on both fronts – has made it into an increasingly prominent policy option.

This leaves us with only one significant component of the overarching logic for privatizing British public land still to be addressed. This particular component concerns prevailing conditions within the national system of land ownership and use more broadly. We have just seen that an important argument made in favour of disposal is that the private sector can use formerly public land to build much-needed houses and to generate much-needed jobs and growth. One hypothetical objection to this argument, of course, would be that the private sector should be building enough houses

and driving employment and growth in any case. Why, that is to say, is the private sector not doing these things already? This is where the additional vital component of the rationale of disposal enters the picture. The private sector cannot currently do these things satisfactorily because, in terms of land availability, it is constrained in fundamental ways. It does not just *want* land owned by the state – it *needs* that land. Without it, it is unable to do what society needs and expects it to do.

Thus, advocates of selling 'surplus' public land have relied upon, and repeatedly articulated, a double logic. The first part of the logic, enumerated above, concerns the conditions theoretically fostered by disposal, and the attendant benefits. The second part, no less essential than the first, concerns the conditions preceding disposal, and the attendant problems. If these problems did not exist, the rationale for disposal would be considerably, perhaps fatally, weaker. And the key locus of such problems is invariably said to be land supply. The private sector simply does not have enough land at its disposal – that is why more public land must be released to it. It does not have sufficient land to grow economic output; it does not have sufficient land to grow employment; and it does not have sufficient land to build new homes. Unless the state addresses this problem by making more developable land available, releasing its own unused reserves to this end, all manner of horrors are predicted to arise: not just economic stagnation and continued housing shortages, but also encroachment by developers on Britain's precious and increasingly imperilled greenfield land.

Significantly, private-sector interests, and indeed many voices from within government, typically blame the state itself for this impasse: land shortages, they claim, result explicitly from the policies and practices of government. Indeed, one such detrimental practice has already been mentioned: alleged land hoarding. But hoarding is definitely not regarded as the main problem. Far and away the most damaging state influence on patterns of land availability and use, critics say, is the planning system. How so?

As Chapter 2 demonstrated, the planning system has been pivotal to the regulatory infrastructure of land development in Britain throughout the post-war period. Any work meeting the statutory definition of 'development' requires planning permission, and 'development' is defined extremely broadly, encompassing anything from groundworks to material changes in the use of land and buildings, and from subdivision to almost any type of

building operation. Critics argue that these planning laws, or at least local authorities' strict interpretation of them, have radically and excessively circumscribed the amount of private-sector land that can be viably (re)developed. And this shortage of developable private land, it is claimed, is what makes the release to the private sector of developable public land a growing necessity. In other words, if the state, as arbiter of the planning system, is the main source of the problem, it nevertheless also has the power – as the owner of surplus-but-developable land – to be a big part of the answer.

This multi-component logic represents, in short, the essence of the stated rationale for surplus public land disposal in neoliberal Britain – a logic articulated mainly by Whitehall, but widely echoed by those, whether in the private sector or in other parts of the public sector, who either subscribe to the same logic or have a vested interest in the privatization of land. Has the logic always been invoked in its totality? Of course not. In fact, it probably never has been – not in the precise form I have presented it, at any rate. At any one historic juncture, depending on the prevailing mix of political and economic circumstances, some elements of the logic have inevitably been emphasized more than others; deficit reduction and housebuilding, for example, have been the particular preoccupation of the past decade.

As we proceed, I will demonstrate how the legitimation of disposal has at times emphasized one set of considerations, at times others. But, emerging from various institutional milieux at different moments, these various considerations have merged sufficiently over time to become a relatively coherent and identifiable macro-logic of disposal. The summary above attempts to capture all of the crucial elements of that macro-logic. I will now explore each of those crucial elements in more detail.

Visions of Surplus

Those making the argument for the disposal of surplus public land in neoliberal Britain have never been in any doubt that there is a vast amount of fertile public land lying idle. Champing at the bit of potentially lucrative sales assignments, the estate agency Savills, for instance, estimated in 2014 that there remains sufficient surplus public land in England alone to deliver 2 million new homes, if only it were released. The firm admits that its detailed

knowledge of the nature and extent of public landholdings is patchy, especially where local authority and National Health Service (NHS) properties are concerned, but, ‘based on market experience’, Savills does not just think, but ‘knows that these sites include many prime developable locations’.[1] Of course it does.

‘[A] colossal amount of unused and undeveloped land is sitting idly in public hands, including local authorities and government agencies’, screamed another agitator in the summer of 2016. The author cited a study indicating that London’s councils owned on average between a quarter and a third of the land in their boroughs. ‘A third!’ (There was no mention of the proportions in use, however.) Neither, once again, was this just any old land. ‘In London, surplus public assets include much of the most valuable land in the world, in the face of a crippling housing shortage.’ The title of the article summed up its fury: ‘The Public Sector’s Vast Bank of Unused Land Is a National Disgrace.’[1]

The theme is not new, and nor is the language. In fact, the article in question resurrected with uncanny precision a withering diatribe against wasteful public landownership delivered in the House of Commons exactly three decades earlier by the Tory politician Anthony Steen, an inveterate opponent of public landownership and author of a 1981 book, *New Life in Old Cities*, recommending the auctioning of surplus land to the highest bidder.[2] ‘The amount of vacant public land that is not being used is a national disgrace and a national, wasting asset’, Steen thundered. He wanted to introduce a new clause ‘to accelerate the sale of derelict, dormant, vacant and under-utilised land in public ownership’, the quantum of which was, he suggested, ‘astronomical’.[3]

It has also long been clear to advocates of disposal, Steen among them, that deliberate hoarding by public bodies contributes to the existence of surplus land just as much as general public-sector wastefulness does. In 1984, Steen had called in Parliament for ‘a scheme of incentives and penalties to restrain local and public authorities from hoarding land’, sure in the knowledge that they were indeed doing so.[4] And a fellow Conservative MP would later assert that it was ‘clear that the GLC [Greater London Council, abolished by Thatcher in 1986] and metropolitan county councils were hoarders of property on a grand scale’.[1] So, Steen claimed, were all manner of other public bodies:

> On 29 March 1984, there were 4,426 acres of unused and under-utilised land surplus to requirements in health authorities. Why should health authorities have 4,426 acres of publicly owned land that is not being used? Such land is a national, wasting asset and one that is not being used for the benefit of society. It is land that is hoarded by public health authorities … I will not trouble the House by listing all the other public undertakings hoarding land that is vacant, dormant and derelict. However, I shall name a few of them. British Gas has 1,700 acres; the National Coal Board has 2,200 acres; the port authorities have 2,800 acres; the electricity boards have 3,600 acres; and the water authorities have 2,500 acres. So it continues.[2]

Hoarders, hoarders, hoarders. And the public sector is evidently still at it, with its Tory enemies responding accordingly. Mark Prisk, sitting MP for Hertford and Stortford, relayed to Parliament in 2014 'the truth' – truth! – that 'the public sector is continuing to hoard surplus land and buildings', and urged ministers to ensure that 'we penalize the hoarding of public sector land and buildings and incentivise Whitehall and town halls to get such assets turned into real affordable homes'.[3]

But is it the truth? Who knows? The only way to know whether British public bodies have been guilty of the active, deliberate land hoarding of which they are repeatedly accused would be to investigate them. And their accusers have not. Their accusations may be true, but they may also be baseless myths. They are, in short, speculative. That is the only 'truth' in the public-land hoarding debate that we know for sure.

And neither is it necessarily 'clear' that significant quantities of unused surplus public land indeed exist, or have ever existed. 'Some people say that 100,000 acres of public land are vacant, dormant and derelict', Steen noted in Parliament in 1986, 'while others say it is one third of a million acres.' Steen went on to say that the figures were 'academic', but of course they were and are not.[1] For one thing, there is a big difference between 100,000 and 333,000. For another, while 100,000 may sound like a big number, let us place it in the context of total national public land ownership at that time. I noted in the previous chapter that, at the end of the 1970s, the state owned about 20 per cent of British land. If we assume for the sake of argument that disposals in the first half of the 1980s had brought the proportion down to approximately 18 per cent (see Chapter 5), then Steen's 100,000 acres (*c.* 40,000 hectares) would represent just 1 per cent of all British land then in public ownership. That is about as far from 'astronomical' as is imaginable.

In fact, it suggests that a remarkably high proportion of public land was being used. Even a figure of 3 per cent surplus – based on Steen's higher number – would be impressive. This (3.6 per cent) was in fact the proportion specifically of the civil estate (essentially, that used by central government) estimated to be surplus at around that time.[2]

Is the situation any different today, when the idea remains common that enormous quantities of surplus public land are waiting to be put to productive use? No. I will be considering specific government processes for identifying and releasing surplus in the next chapter; but it is important to note here that, on most occasions when actions have been taken to this end, the results have appeared distinctly underwhelming. Surplus, surplus, everywhere? Hardly.

Perhaps the most striking example of recent years concerns the government's Right to Contest scheme, introduced in 2014 to enable anyone to challenge public bodies to sell land believed to be surplus or amenable to 'better economic use'.[3] An investigation carried out two years later yielded interesting findings. At that time, 158 applications had been made to the scheme. But only in six cases (about 4 per cent of the total) had sales been approved by ministers.[1] In the other cases, one or more of the grounds applied that allowed for land under challenge not to be released – notably, 'the site is vital for operational purposes' or 'other considerations outweigh the potential better economic use'. Not so much surplus land after all, it would seem.

The aforementioned investigation contained a comical finding: 'an apparent joke application for "the whole of the UK" to be deemed surplus'.[2] Equally comical, but at the same time much more serious, was a finding buried deep in the Cabinet Office report, 'The State of the Estate in 2012'.[3] The Office team had found that vacant (surplus) space within the civil estate amounted to 274,119 square meters, or just 3 per cent of the total area (the same proportion as in the mid 1980s, in other words). This compared, they said, with an average national vacancy rate, across the public and private sectors combined, of approximately 10 per cent. High land and property vacancy rates in the private sector, both commercial and residential, are an issue I will return to in due course (see Chapter 4). Meanwhile, the comical aspect of the Cabinet Office's vacancy-rate finding is that it appeared in a report predicated throughout on the longstanding assumption not only that the public sector is wasteful but – as we shall shortly see – that the private sector

is not. This guiding conviction about the public sector's 'badness' is writ large in the way the 3 per cent finding was reported: 'Although still well below the reported national average (public and private sector) of 10.1 per cent', the Cabinet Office said by way of acknowledging, somewhat grudgingly, the 'good' performance, 'this represents only a marginal decrease of 0.1 per cent in vacant space over the last year. This means that vacant space across the estate has remained static at around 3 per cent for the last three years.'[4] In other words, rather than being applauded for holding much less surplus than other actors, the public sector should be admonished for not improving on this already superior performance. But presenting good performance as bad was a tried-and-tested discursive strategy: back in the 1980s, when it was also found that the vast bulk of the civil estate was in use, the Tory MP James Couchman had told Parliament that 'while 3.6 per cent [surplus] appears to be a relatively modest figure, it equates to the area of about 140 superstores'.[1]

From Surplus to Efficiency, and Back Again

If, reading this, you are inclined to think that this kind of perspective from Whitehall puts public bodies in a hopeless situation – open to critique if sitting on plentiful surplus, open to critique if holding minimal surplus but not constricting it further – you would be right. But it gets much worse.

Having only a small amount of unused land, as we have just seen, is often considered a generally positive thing for the public sector, at least by the Steens of the world. It is a sign that a public body is not simply wasting surplus land, and is not actively hoarding it. But throughout the past four decades this particular perspective has circulated in Whitehall cheek-by-jowl with a different but no less influential perspective, which allows for low levels of public land-surplus to be conceived in an entirely different way. This is an 'efficiency' perspective. It says that an efficient public body is one that uses the least possible land and property to deliver the services it is tasked with providing. What has this to do with 'surplus' land? A great deal, because low levels of land that is not in use can be read as an indication that a body is simply using more of its land than it needs to – that it is, in a word, an inefficient land user – rather than as an indication that it is not hoarding.

In other words, for British public bodies, it genuinely has been a case of

damned if you do, damned if you don't. No surplus land? Then you must be horribly inefficient. Lots of surplus land? Then you must be a wasteful hoarder. Try arguing yourself out of that one.

The (in)efficiency argument was there from the very start, and has never gone away. Supported by a battery of all-too-willing private-sector 'experts' of sundry types, Whitehall has consistently argued that the public sector is inefficient in its use of land and property – both in absolute terms and, perhaps especially, relative to a glorified private sector. Every invocation to become more efficient – to 'deliver a rationalised and more efficient estate' (*pace* the Treasury, in 2009) or 'creat[e] an effective and efficient government estate' (the Cabinet Office, in 2013) – is a restatement of the assumption that inefficiency currently, indeed always, reigns.[1] At the very outset of the neoliberal period, in a hugely influential 1983 report into the use of NHS land and property, we find a critique of a 'somewhat casual attitude adopted by many authorities to the handling of property matters'.[2] Three decades later, everyone's favourite knight of the realm, Sir Philip Green – yes, he of the recent British Home Stores debacle, among many others – exclaimed in a report personally commissioned by then prime minister, David Cameron, that the state 'is the largest tenant/owner in the country, yet [its] use and management of space is wholly inefficient'.[3]

Crucially, this inefficiency is not regarded as somehow accidental or inadvertent. On the contrary: it is considered an inevitable by-product of the fact that the land's owner is the state. It is thus inherent to the public sector. Sir Philip has his own inimitable take on how to explain this phenomenon – 'There is no motivation to save money or to treat cash "as your own"', he submits – but it would be a mistake to think that theoretical substantiation of public-sector inefficiency has always been this crude.[4] It has not. In institutions such as the Institute of Economic Affairs (IEA) and the Adam Smith Institute (ASI), Britain has long boasted some of the most sophisticated critics of public ownership, including the ownership of land. Their arguments against such ownership have been highly influential, especially within the Thatcher and subsequent Tory administrations.

Using complex economic ideas – public choice and agency theory – they argue that public-sector inefficiency is rooted in the fact that land and property, like other resources, tend to be treated as so-called 'free goods'.[1] Those who have claimed to find empirical evidence of this inefficiency have

invoked the same theory. ‘We believe’, said the enquiry team that in 1983 accused NHS property managers of a ‘casual’ attitude towards their assets, ‘that this attitude derives largely from the fact that property in the NHS is a “free good”’.[2] A free good is a good that is, by definition, not scarce, the consumption or use of which therefore incurs no opportunity cost; thus there is, in essence, no incentive to ration one’s usage or not to use the good ‘casually’. Why, after all, would one be parsimonious in using land if no cost is incurred through not doing so? This argument can be thought of as a version of Garrett Hardin’s famous ‘tragedy of the commons’ thesis.[3] Hardin argued that communally owned environmental resources are used inefficiently, and are ultimately degraded, because in such a context individuals lack the incentives necessary to encourage sustainable use. Critics of public landownership make much the same case: it is the nature of the system of ownership, and the attendant misalignment of incentives, that engenders inefficiency.

For such critics, the core remedy for this inefficiency, of course, just as it was for Hardin, is private ownership. Private ownership of land is inherently more efficient precisely because the land is not then a free good. When land has scarcity legally attached to it, the argument runs, its owner is incentivised to use it efficiently.

There is, needless to say, a long and venerable liberal tradition of Western thinking on the purported ‘disciplining’ role of private property rights, stretching at least as far back as John Locke. Such thinking has surfaced, and been put to effective political work, in all manner of historic–geographic conjunctures, from that of the nineteenth-century colonial territories characterised by ‘wasteful’ traditions of indigenous landownership and use, to that of the no less ‘wastefully’ and ‘inefficiently’ used common lands of pre-enclosure Britain itself (see Chapter 2).[1] The same thinking permeates neoliberal Britain, not least where matters of public landownership are at stake. Private ownership is better ownership. Hence: sell.

But, vitally, private ownership is not seen as the only way of mitigating the inefficiencies of traditional public-sector landownership. Or, to put it another way, it is seen as necessary for maximum efficiency, but not sufficient. The other *sine qua non* of efficient land use is the use of markets to allocate land. There is a widespread tendency for privatization and markets to be spoken of in the same breath – especially, it must be said, critically, on

parts of the Left. But while they do often go hand in hand, they are not equivalent, and the former does not necessarily imply the latter. There are many real-world examples of resources being privately owned but being allocated through non-market mechanisms.

For British land to be used with maximum efficiency, in any event, institutions such as the ASI and IEA have long insisted on the necessity of both private property rights *and* markets. The latter help to ensure efficient use because they process relevant information – and signal it in market prices – more effectively than a collective agent such as the state ever can. Traditionally lacking market mechanisms for allocating its own land, then, the British public sector came under attack in the 1980s from the aforementioned 'adherents of the free market', with their argument that the state is prey to 'the serious possibility of a major collective error'.[2]

This particular argument is vital to our story for two reasons. One is obvious: the claim that markets encourage efficient use naturally helps strengthen the wider argument that public land should be sold to the private sector, because in the latter, of course, markets are the order of the day. But the second reason why this argument is vital is much less obvious, and requires careful elaboration.

It rests on the fact that, just as private ownership does not necessarily imply market-based allocation mechanisms, neither does public ownership necessarily obviate such mechanisms – or at least something like them. Markets or 'market-like' mechanisms can be introduced to practices of land allocation and use even when land is in public ownership. Exactly such an innovation has characterised land reform in China, for example, with the introduction of leasehold markets and market-like competition for public land.[1] As we will see in the next chapter, Whitehall has tried hard to introduce somewhat similar mechanisms into the running of the public estate in Britain since the early 1980s; so-called asset rents (charges on public bodies for the cost of their capital facilities) are one example.[2]

Introducing such mechanisms has been regarded as doubly beneficial. The most direct benefit would be a more efficient public estate per se. In the words used by then secretary of state for social services, Norman Fowler, upon announcing to Parliament the findings of the abovementioned 1983 report into the NHS estate, mechanisms were required to 'bring home to users the value of accommodation they occupy and to promote greater efficiency

and effectiveness in the use of property'.[3] Or, as Philip Green put it more recently: 'There is no reason why the thinking in the public sector needs to be different from the private sector.'[4]

The more indirect benefit, of greater significance to the narrative of this chapter, is that, by making the public sector more efficient in its use of public land, market-like mechanisms would shrink the amount of land used by public bodies and, in the process, would *therefore crystallize more 'surplus' to be sold* – to what is, by definition, the even more efficient private sector. Everybody wins! As the Office of Government Commerce observed in its 2005 *Guide for the Disposal of Surplus Property*, the onus on public bodies to manage their landholdings 'in the most efficient and effective manner … will often result in property or land being identified as surplus.'[1] Not might, not could, but 'will': being public and thus inefficient, efficiency gains – and hence extra surplus land – are always there to be found.

But the argument that market-like mechanisms should be introduced to the public estate in order to make its use more efficient (and in turn free up more surplus) is deeply problematic. Most importantly, it assumes that land can only ever have one type of value – market value – even when publicly owned. This was the gist of Doreen Massey's 1970s critique of the creeping marketization of the UK public estate that was already taking place in that decade. If land is publicly owned, she insisted, at least let the state function as a public owner – a different type of owner – rather than requiring it to ape private-sector approaches and values. Public ownership, she therefore insisted, is never meaningful in and of itself. 'It is not enough just to allow local authorities to own land', Massey repeatedly claimed; 'they also have to be enabled to behave as socially-conscious landowners.'[2]

Introducing markets in the name of efficiency threatens to do the precise opposite. Indeed, if one is going to make efficiency the principal criterion of land use, one may as well throw in the towel where state ownership is concerned and simply privatize all land. Why? Because public ownership becomes a mere label, a hollow gesture towards a genuinely alternative mode of owning and using land. Public ownership must be allowed to mean something truly different from private ownership for it to have any real worth or significance; Philip Green's fatuous denial of any reason 'why the thinking in the public sector needs to be different from the private sector' is, in a sense, a denial of the need for a public sector *tout court.* Anne Haila is

therefore completely right to say that the answer to the question, What is the value of public land?, is always, It depends:

> There is no 'natural value' for public land. Rather, the value depends on the role the city and the state assume as landowners … If they decide to make money through their real estate and maximise rent revenue – becoming players in the real estate market – they replace schools, libraries and day-care centres with offices, restaurants and hotels that can bid more rent for the land. If they value social consequences and the public good in their land allocation decisions, they calculate the use value of their land.[1]

The logic of efficiency, to be inculcated using markets, is a direct repudiation of use value.

And in any event, at least in the UK, the underlying argument that the public sector is an inherently inefficient operator, one always put in the shade in this regard by the super-efficient private sector, simply does not stand up to scrutiny – especially where land and property are concerned. To the best of my knowledge, there is no evidence of the private sector being generally more efficient in the use of its land than the public sector.[2] In fact, there is evidence to the contrary. In 2010, Robert Harris, principal of the real-estate consulting and research firm Ramidus, with three decades of experience working with both public-and private-sector clients, published a fascinating 'brief history' of UK public-sector asset management. It makes painful reading for those who subscribe to simple dichotomies of private-sector efficiency and public-sector inefficiency. 'During the 1980s', Harris writes, 'the public sector was ahead of the private sector in recognising the importance of managing real estate in a more proactive manner.' Indeed, efficiency has been a watchword and strategic imperative of public-sector asset management ever since (see Chapter 4). The result, as Harris says, is that 'in many ways' the public sector has continued to lead the private sector right up to the present day: 'Perhaps more constrained by budgetary issues, it has consistently shown innovative approaches to workplace improvement; and it has in many respects led the flexible working styles agenda.'[1]

And so, where land specifically is in question, it is difficult not to conclude as James Meek does of the logic of privatization more generally. He identifies the argument that 'privately owned companies are structurally more effective than publicly owned ones' as one of six central 'lies' parroted by privatization advocates. To reject this lie, of course, is not to deny that some

private-sector actors are more efficient than some public-sector actors. Rather, it is to reject the myth that all private sector actors are more efficient than all public sector actors, or that the private sector on average is more efficient than the public sector on average. The latter belief, Meek says, is ultimately one 'more akin to religious faith than reality; part of the cult that has elevated the business executive to a new priestly caste'.[2] It is a belief lodged at the very heart of the modern-day project to privatize or 'enclose' British public land – and it is, indeed, a myth.

Shrinking the State, Creating Surplus

According to the dominant official logic of the neoliberal era in Britain, then, at any particular moment in time not only has surplus public land been widely abundant, reflecting a persistent public-sector hoarding of land that is neither needed nor used, but even more of it could be crystallized by forcing inefficient public bodies to use less land than they do. And all such surplus, once identified, should be sold. In the remainder of this chapter, I will take a close critical look at the arguments put forward for surplus disposal (and at the premise that such 'surplus' can actually be correctly identified to begin with); but first we need to focus more closely on the question of how such a surplus originates. To the extent that some public land is indeed surplus to public-sector operating requirements – and it would be absurd to suggest that no such surplus ever exists, because it often does, and has – *is it always the case that the presence of such surplus reflects hoarding or efficiency improvements*? This is the explicit assumption of the argument for privatization. We need to know whether it is true, and, if not, whether this matters.

How else might surplus land arise? Well, imagine for a moment that you run a business that owns a few acres with some buildings sitting on them. Imagine too that until recently you used all of this property, but that now you are only using some of it. One reason for the fact that you now have 'surplus' property might be that you have become more efficient in your property utilization. But it is clearly not the only possible reason. Maybe new regulations have required you to discontinue a line of business that previously occupied the now-surplus space. Maybe the funding needed to sustain that line of business has been cut by the bank. Maybe demand for the services

provided by that line of business has evaporated. And so on.

The point is that surplus property can and does materialize for numerous reasons. And this is as true of the public sector as of the private sector. Closer analysis of the fate of public land in Britain since the early 1980s shows that surplus has often materialized for reasons totally unrelated to those privileged in the official discourse – namely, hoarding and efficiency improvements.

For one thing, certain public-sector bodies have been stripped of various powers and responsibilities that were formerly within their purview, and which by their nature are land-use-intensive. The most prominent and important example is of course local authorities' responsibilities in relation to housing.[1] Until the early 1980s, Britain's local authorities were empowered and expected to build and manage council housing, and they did so on a vast scale (see Chapter 2). But that all changed when Thatcher came to power. Because housing was no longer considered part of the local state's remit, council housing and the land it occupied became, in principle, 'surplus', and thus eligible for disposal under the famous Right to Buy program. This was not an instance of the state relinquishing property through efficiency gains, but through being throttled – by itself (a dynamic that Jamie Peck has memorably described in another context as 'self-discipline descending into auto-evisceration or incapacitation').[1] And as Sir Michael Lyons observed in his influential 2014 Housing Review, it was not just the Thatcher administration that did the throttling. Successive British governments have continued to reduce local authorities' housing powers, rendering council housing's surplus status increasingly absolute.[2] In England, for example, only 165 of the more than 350 local authorities nationwide today retain any council housing stock.[3]

Furthermore, the funding needed by public bodies to sustain existing uses of public land, or to replace former uses, has increasingly dried up. Council housing is again a good example: local authorities' ability to maintain current stock or build new stock has been curtailed by reduced funding as well as reduced powers. From the early 1980s until 2012, council house finance was strictly controlled by central government, and this period represented one long, painful squeeze as a combined result of restraints on borrowing by local authorities, limits on their ability to retain the proceeds of asset sales (see Chapter 4), restrictions on rent increases, and 'negative subsidy' payment obligations.[4] All of this, as Meek observes, 'encouraged' local authorities

lacking the funding required to maintain their existing stock – let alone to build new social housing – not only to sell to tenants under Right to Buy, but also to transfer stock to newly created housing associations, which, financially, are much more favourably positioned, but whose ability to build at social rents is very limited.[5] While 2012 saw the introduction across local government of a new self-financing system for social housing that theoretically enables local authorities to borrow against rental income – within ring-fenced Housing Revenue Accounts – to finance investment in existing stock and/or in new construction, the reality has been, at best, underwhelming. Few local authorities have used the new facility, firstly because the rental incomes to be borrowed against have declined dramatically, and secondly because of stringent caps on borrowing capacity both individually and collectively.[1] Recent research by Janice Morphet and Ben Clifford found that over 80 per cent of local authorities not currently engaged directly in housing delivery cited lack of funding as a reason why not, while over half of those authorities that are engaged cited borrowing caps as a reason for not delivering more housing units – the most commonly cited reason.[2] Only in Scotland, where there are no such borrowing caps, has local authority social housing construction been meaningfully renewed in recent years. And only there, with the disbanding of Right to Buy (see Chapter 4), has the sale of remaining local authority stock been arrested. Elsewhere, new-build remains a mere trickle – amounting, in 2015–16, to 1,890 new units of social housing in England, and none at all in Wales; and, with the government's reinvigoration in 2011 of Right to Buy in England and Wales, councils have continued to haemorrhage retained stock.[3]

Indeed, the pressure on local-authority finances has been especially marked in the years since the financial crisis, and it impacts council operations and investments – and thus land and property usage – far beyond housing alone. Restrictions on borrowing are certainly one part of this story. Local authorities can borrow from various sources, including the Public Works Loan Board (comfortably the biggest single source), the debt markets (a handful of larger local authorities have obtained credit agency ratings) and the Municipal Bonds Agency (established in 2014). But, whatever the source, borrowing must be circumscribed strictly in relation to 'revenue streams available'.[1] And the fact is that there are not many substantial revenue streams readily available for local authorities to tap.[2] Ergo, limited borrowing

potential.

Still, in terms of post–financial crisis pressure on local authority finances, the main story is arguably not borrowing limits, but austerity. The geographer Jamie Peck argues that 'austerity urbanism' has been a key feature of the post-crisis US political-economic landscape, with fiscal retrenchment visited disproportionately on local governments – and specifically cities.[3] Local authorities in Britain, which receive annual allocations of funds from central government for both capital and revenue expenditure, have experienced a comparable phenomenon, especially in England and Wales. Under plans introduced by the government's 'Spending Review' in 2010, local government was to bear the brunt of reductions in public expenditure of all types.[4] And subsequent research shows that Whitehall has been true to its word. Within the public sector, austerity in Britain has indeed been experienced most intensely at the local level. Local government has had to contend with what Vivien Lowndes and Alison Gardner call 'super-austerity'.[5] 'No other area of government', Tom Crewe recently wrote, 'has been subject to the same squeeze: since the start of the decade spending by local authorities has been reduced by 37 per cent, and is scheduled to fall much further over the next five years. For many councils this will mean the loss of more than 60 per cent of their income by 2020.'[6]

Little wonder, then, that local authorities have surplus land. If you, as that hypothetical business owner, were starved of the funding (not to mention powers) needed to provide services you had historically provided, you would likely have surplus property too. Austerity and surplus go hand in hand, odd as it may sound. Under conditions of austerity, assets, including land, become surplus to requirements not because no use can be found for them, but rather because there are not enough resources to occasion any meaningful use. Austerity, says Crewe, 'has wrecked the ability of elected local authorities to provide and administer many of the features and functions of the state as we understand them'.[1] Local authority employee numbers, measured in terms of full-time equivalents, fell by over 20 per cent between mid 2006 and mid 2013, from 1,469,200 to 1,161,500.[2] Assuming local government requires a certain area of land and property to support each member of staff and the functions they perform – which, as we will see in Chapter 4, is in fact an explicit Whitehall assumption, on which policy is based – one would expect local government land-in-use to have fallen accordingly, and its 'surplus'

land available for disposal to have mushroomed. This has indeed been the case (see Chapter 5).

We can extend this argument to the neoliberal era more generally. Neoliberalism is famously about 'shrinking the state'; indeed, this is why austerity is one of its signature policies: it promises the rapid accomplishment of such shrinking.[3] What happens if you shrink the state? All other things being equal, you shrink the land needed to support the state and the services it supplies. Public land becomes surplus as the inevitable outcome of the state's determination to downsize itself. The fate of the NHS estate in the early 1980s is instructive: increasing chunks of it became 'surplus' as a result firstly of healthcare service cuts caused by under-resourcing, revenue constraints, and new capital developments, and secondly of changes in healthcare policy such as the move to 'care in the community' for physically and mentally disabled people, and the resulting closure of long-stay institutions.[1] More generally across the public sector, what one commentary euphemistically referred to as 'changes in the scale of business or methods of provision' (that is, state shrinkage) meant that, already by the mid 1980s, 'the public sector's needs for land [had] been drastically reduced'.[2]

Does it matter, though, that surplus land thus materializes in reality often for reasons other than those invoked by Britain's champions of privatization? Some would say not. Surplus is surplus is surplus – who cares how it got there? But of course it matters. Insisting that hoarding or efficiency improvements are responsible for surplus veils the fact that considerable surplus has actually been actively created by the erosion of public-sector powers and financial resources – a process accelerated by post-crisis austerity, but definitely not born with it. And it also veils the political decisions responsible for this process of erosion. Perhaps most importantly, silence about those decisions and erosions is not just political but performative. It performs, or shapes, political-economic futures. It is, after all, politically far easier to justify selling 'surplus' land if the public thinks public-sector hoarding, not public-sector hollowing-out, is the reason for its existence in the first place.

Logics of Disposal

Self-evident surplus?

It is also easier to justify selling surplus land if it is clear that the land in question is indeed surplus. The proposition that surplus can be readily distinguished from non-surplus, public land in use from public land not in use, has been integral to the decades-long land-privatization project. As we saw earlier, it is simply assumed that managing the public estate properly will often result in property or land being identified as surplus. Identification, in and of itself, is unproblematic. 'Unused property is usually self-evident', as the 1983 report on the NHS estate said; 'by contrast, *underuse* is elusive.'[1] But is surplus (unused property) really self-evident? If it is not, then to claim or pretend that it is is to project false confidence about the grounds for and necessity of disposal.

Again, the answer is no. Surplus is not the self-evident condition it has been presented as. The problematic nature of identification has been evident throughout the past few decades, despite pretences to the contrary, and identification remains no less problematic today. This should not be surprising. If, as the Office of Government Commerce wrote in 2005, the requirements to which surplus public land is surplus include 'projected requirements [based on] operational projections and resource requirements for at least the next three years', then the notion that excess will be self-evident is ludicrous.[2] How can a public body precisely know the future and the needs associated with it? It cannot. Michael Rosen made this point vividly in a recent reflection on the historic justification for disposal of publicly owned school land in London:

> In the 1980s, when I asked a councillor why a school in Hackney was being sold off, he told me Margaret Thatcher had instructed the council to 'maximise their assets'. The birth rate was going down, the school wasn't full, and the council could maintain services by flogging off underused premises. When some of us said this was short-sighted, that these places belonged to us, that with a bit of creative thought they could be used for everyone and, anyway, who could say if the birthrate wouldn't go up again, we were told we were being unrealistic.

What happened in due course? 'The birth rate didn't stay low.'[3] I will examine the implications of these erroneous prognostications in Chapter 5.

Furthermore, it turns out that assessing land's use value even against present-day public-sector requirements is never entirely straightforward. In a 2014 Lords debate on what became the 2015 Infrastructure Act, for example, two peers alluded to the shakiness of this premise. Labour's William

McKenzie asked for clarification concerning ‘the process by which land is regarded as surplus’; Janet Royall, also Labour, asked the government’s Treasury spokesperson, and one of the Bill’s two sponsors, Susan Kramer, to ‘help us by narrowing the definition of surplus’, wondering ‘what would need to happen for land described as “in use” to cease to be thought of as in use’. Note that this came fully thirty years after the nation was assured that surplus was ‘usually self-evident’, and after three decades of this (self-evident) surplus being sold. Interestingly, Kramer admitted, at least in that select company, that ‘there is no hard-and-fast definition of surplus’.[1] So much for self-evident.[2]

Or consider the Historic Houses Association’s complaint, also in 2014, that there was no ‘workable definition’ of the ‘under-used or unused land’ that the Community Right to Reclaim Land – introduced in 2011 – theoretically helps communities claim from public bodies, in order to put it to beneficial use.[3] Here, the relevant government spokesperson’s response was little short of hilarious. Offered the suggestion that ‘some guidance about what constitutes underused or unused land would be helpful’, the under-secretary of state for communities and local government, Stephen Williams, replied simply: ‘Logically it would, yes.’[4] Logically!

But let us assume for the sake of argument that surplus public land can be reliably identified; and let us also assume that hoarding or efficiency improvements are the reason for this surplus existing. Even then, why sell it? Why not hang onto this surplus? Private-sector actors are not required to sell land they are not using – land which, we saw earlier, is arguably more abundant in the private sector than in the much-vilified public sector. No such compulsion exists. They can simply sit on it, and often do. And if they do, the land is usually described as an ‘investment’, not something that is being wastefully, selfishly hoarded. This is why the following statement by the Tory peer, Simon Arthur, made in response to concerns in the early 1980s that disposal of NHS properties represented asset-stripping, is so disingenuous:

> It is not sensible for the NHS to hold on to land that is no longer needed. It is of course far better to sell it and use the proceeds to finance other priority needs of the health service. Like it or not, we are in the property business and we must treat that property with care; we must treat it in the way that others would treat it if they were hanging on to the sort of values we are talking about.[1]

But those ‘others’ – namely, the private sector – would not necessarily sell the land. It is misleading to insist that they would. So why the very different expectation for public-sector bodies?

Disposal and government economy

Part of the stated rationale for the state to dispose of surplus concerns government economy. Selling has two ostensible benefits in this regard: the state receives cash, which can be reinvested, for example in public services (Arthur’s point), or used to help reduce government deficits; and any ongoing costs associated with maintaining the unused land disappear. In terms of the latter benefit, the burden of the running costs of the public estate – surplus or otherwise – has been a recurrent theme of recent decades. In 1988, for example, Edwina Currie, then under-secretary of state for health and social security, bemoaned the ‘sheer maintenance cost of our enormous [NHS] estate’, which was estimated at £1.5 billion per annum. Ignoring both the value of the health services that estate ownership facilitated and the likely cost of leasing the necessary property if the estate were not owned, Currie salivated at the potential ‘significant capital proceeds’ from disposal of any surplus.[1] Enormous disposal proceeds have, indeed, since been garnered. But, thirty years on, NHS estate running costs continue to be considered excessive. In his high-profile 2017 review of the estate, Sir Robert Naylor declared that, for all the innumerable land sales already under its belt (see Chapter 5), ‘the NHS has not focused sufficiently on estates rationalisation as a vehicle for moving to a more efficient, lower cost estate’. He estimated that upwards of £500 million in annual running costs could still be offloaded ‘by moving to a smaller more efficient estate’, and he advised that future ‘plans for estate rationalisation should explicitly focus upon how they can reduce the running costs of the estate.’[2]

Comparable logics of disposal have also often been applied at the scale of the public estate as a whole, most commonly by the Treasury, the government’s dedicated bean-counter. The key questions of how much it costs to maintain the estate and how much of this cost is strictly necessary are ones that the Treasury has often returned to. In 2009, its answers were £25 billion and 80 per cent, respectively. The estate’s annual running costs, in other words, totalled £25 billion; but, within ten years, it was estimated that around £5 billion (20 per cent) could be shaved from this yearly amount. How? By shrinking the estate by some 20–30 per cent.[3]

At the same time, the Treasury also considered the other side of the government economy disposal equation: the amount of cash that a 20–30 per cent estate reduction would potentially yield in sales proceeds. Its estimate was ‘in the region of £20 billion (excluding council housing)’.[4] Either this was a gross underestimate (perhaps influenced by the depressed state of the commercial property market in the midst of the global financial crisis), or the Treasury must have been assuming that sales would come from the least valuable parts of the estate, because seven years later – after further disposals – what remained of the public estate was valued at £405 billion in its entirety.[1] Over the course of the past four decades, in any event, the primary proposed use of disposal proceeds has generally been reinvestment in public services. Only since the financial crisis has an alternative objective – reducing the public deficit – come to be seen as the main prize. It has been invoked to justify both general surplus land sales and the disposal of more specific assets. One example of the latter was the government’s stake in the sixty-seven-acre King’s Cross site in London, sold for £371 million in 2016 ‘to help reduce the deficit and build economic security’.[2]

As we will see in Chapters 4 and 5, the vaunted benefits to government economy and public services – and thus to taxpayers – of selling surplus land have in practice often not materialized. Proceeds have all too rarely been reinvested, and, quite simply, bad deals have been done. But this element of the *logic* of disposal is arguably not enormously problematic. There may well be sense in cashing in an asset that genuinely constitutes surplus, especially if it does lead to productive reinvestment in public services. And we all make bad deals sometimes. Land prices may have increased exponentially in recent decades in many parts of Britain, but it would be unfair to criticize the government for not having anticipated this, and for the fact that it could typically therefore have secured a much better deal for taxpayers had it not sold land and property when it did. Perhaps the most famous example of the government doing a deal that appeared reasonable at the time, but which in retrospect was not, was the infamous 1996 sale of the bulk of the Ministry of Defence’s married-quarters estate to a private-sector operator, Annington Homes. ‘At the time the deal looked like a good one’, reflected Vice Admiral Timothy Laurence (the Queen’s son-in-law) a decade on. ‘We put it on the market; the highest bidder won the deal and there were plenty of bidders for it.’ But property prices had since shot up. Now, Laurence said, ‘with the

benefit of hindsight … it does not strike me as being a great deal'.[3] Another decade on, it would look even worse: the National Audit Office has recently calculated that the Ministry is now £2.2 billion to £4.2 billion worse off than if it had retained the estate, with 'Much of the loss … due to house price rises since the deal'.[1]

Nevertheless, there is an important caveat to the suggestion that, from the particular perspective of government economy, there may sometimes be sound logic in surplus disposal. This caveat concerns the question of whether the land really is 'surplus' and, specifically, to whom. It is possible that it represents a definitive surplus to its existing owner – although, given the historical flux in organizational responsibilities and resource requirements, this can arguably never be entirely certain. But what about the public sector more widely? Just because one public body does not need a particular site does not mean that it is of no potential use to another public body. Sale on the grounds of land being 'surplus' and of proceeds improving government economy can only really be justified if it is clear that the public sector at large does not need the land. If the land is sold to a private buyer, but another public body actually needs it (or something like it), and hence must (re)purchase it, or find some other potentially costly solution, the net impact on government economy may well be negative. As we will see in the following chapter, there have, for this reason, long been provisions for other public bodies to have an informal right of first refusal on surplus being disposed of. But, as we will also see, those provisions have never worked particularly well, and in recent years they have effectively been neutered.

Still, at first sight, the government's arguments relating to the wider economics of surplus land disposal – that is, the vaunted benefits not specifically to government economy, but to 'the economy' as a whole – are the more problematic ones. It is these arguments I turn to now. Once again, there are two sides to the rhetorical coin: the disbenefits of retaining surplus land, and the gains accruing from selling it.

Disposal and the overall economy

Some very curious claims indeed have been widely circulated about the ostensible disbenefits of retaining surplus public land. Not only, it is said, does hoarding surplus land hurt government finances, insofar as it can incur a maintenance cost; it also actively damages the wider economy. Thus Lord Heseltine, in an influential 2012 report on recommendations for increasing

UK economic growth, argued that ‘derelict and unused [public] properties are a major drag on our local economies’.[1] That is right: just by sitting there, minding its own business, surplus public land not only does not make a positive economic contribution, it manages somehow to do the opposite, actively dragging economies backwards. Here Heseltine effectively stands on its head the classic physiocratic idea that land is the unique source of value. In making this claim, the physiocrats had reified land, giving it the power in itself to ‘do’ – to create wealth. Heseltine gives it an equivalent, albeit obverse, power – to diminish value.

Similarly, it is frequently claimed that, in holding on to surplus public land, the state actively deprives the public of that land’s value. Discernible both in the critique of hoarding and in calls to realize the value of surplus land by selling it, this notion of deprivation is even more emphatic in calls to ‘unlock’ surplus public land and its value – especially, though not only, to provide housing.[2] The implication is that the state, against the best interest of the public, is keeping this value ‘locked up’. This notion is odd for a couple of reasons. One is that it presumes that, for some reason, only the private sector has the magical power to ‘release’ this value; this, for example, was the inference of Naylor’s 2017 description of the NHS estate as ‘a significant source of untapped value’ (the NHS, the reader was being told, was *not* tapping it).[3] The other curious aspect of the ‘unlocking’ discourse is of course that the public, via the state, in fact already owns the land that is ostensibly to be ‘unlocked’ for the public’s benefit. ‘It is rather ironic’, as one commentator recently noted of the government’s plan to sell public land to private-sector housebuilders, ‘that the authorities are now promising to use “surplus public sector land” to assist the general public in fulfilling their dream of owning their own property. Let us not forget that these assets are owned by the general public/taxpayers across the UK.’[1]

However, in the overall scheme of things, these particular arguments concerning the downsides to the national economy and polity of the state holding on to surplus public land are relatively peripheral. Far more visible and consequential are arguments concerning the benefits to the national and local economies of selling such land to the private sector. It is these arguments that the government has repeatedly and forcefully emphasized in its decades-long project to legitimize and effect land privatization.

As we have seen, protagonists claim that land privatization delivers three

vital outcomes: houses, jobs and growth. These outcomes are what justify and necessitate disposal. One example of such claims: ‘As one of the country’s biggest landowners, the Government has a critical role in making sites available to build the homes this country needs’, insisted then minister for housing and local government, Grant Shapps, in 2012. A target had been established the previous year of releasing enough central government land to build up to 100,000 homes across England by 2015 (see Chapter 4).[2] Another example: ‘exploiting surplus government land and buildings can help stimulate growth’, the Government Property Unit (GPU) proclaimed in 2013.[3] A third example: a central ambition of the One Public Estate programme, introduced by the GPU and the Local Government Association in 2013 to encourage and help local authorities to use their property assets more effectively, was ‘enabling released land and property to be used to stimulate economic growth, regeneration, new housing and jobs’.[4] And a fourth: ‘maximising the release of surplus public sector land is critical to supporting the Government’s ambitions’ not only to ‘reduce the deficit’ but also to ‘increase the number of houses being built and help to drive economic growth’, Baroness Kramer told the Lords in 2014.[1] Innumerable comparable declarations have been made down the years.

The country and the city

Declarations of this kind cannot be understood in isolation. They are shaped by crucial assumptions and concerns that also require critical consideration. The most important assumption is that the private sector really does need more land. Thus, for example, Shapps, in the 2012 statement cited above, argued that housing construction was being held back by developers’ ‘lack of the right land in the right place to build new homes’.[2] And for those, like Shapps, who see a lack of developable and available land as the primary reason for the failure of Britain’s housebuilders to build more homes, it is clear where the blame lies: the planning system.

This is the second key assumption: that the planning system (read: state bureaucracy) is responsible for the private sector not having the land it requires to do its job. We hear this argument from housebuilders themselves.[3] We hear it from other real-estate interests and their supporters in the media: ‘The log-jammed planning system is bringing new housing development to a halt and causing a housing crisis, according to new research from estate

agents FPD Savills', insists *The Telegraph*.[4] We hear it from right-wing think-tanks, including the IEA, whose Kristian Niemitz says developable land is actually 'available in plentiful abundance', but that 'politically imposed' constraints prevent housebuilders from getting their hands on it.[5] Singing the same tune, according to Duncan Bowie, is Policy Exchange, whose Nick Boles subsequently became a Tory politician (and briefly minister of planning), and whose Alex Morton subsequently became David Cameron's planning and housing adviser during his tenure as prime minister.[1] Finally, and inevitably, we also hear it from neoliberal academics.[2] And this assorted cast of characters all say much the same thing: that, in Bowie's words, 'the main constraint on housing delivery and therefore affordability is the bureaucratic and constraining planning system which excludes a significant proportion of land … from development'.[3]

If the principal assumptions informing the argument for releasing public land to the private sector to enable it to build houses and stimulate the economy are that it is land-constrained and that the planning system is at fault, one of the main concerns shoring up this argument is related: namely that, unless surplus public land, and surplus urban public land in particular, is released, the private sector will somehow end up developing and despoiling the greenfield land that the British planning system is partly designed to protect. This concern has been evident since the earliest days of British neoliberalism, if not before.[4] One especially strident voice has been that of a character we encountered earlier in the chapter, the Tory Anthony Steen. In 1986 he warned Parliament that if 'vacant sites in public ownership are left surplus to requirement in the inner city, developers have to look outside it to build houses to satisfy the market demands', which would mean encroaching on 'good agricultural land', 'greenfield sites', 'the green belt'.[5] Four years later he was at it again. Surplus land should be made available lest 'we start to eat into the green fields outside our towns'.[6]

This belief that protecting greenfield land requires privatizing non-green public land has resurfaced with especially significant consequences since the turn of the millennium. In 1997, the deputy prime minister, Jon Prescott, commissioned the celebrated architect Richard Rogers to explore how England could accommodate in the region of 4 million new households over the following twenty-five years. The answer provided in 1999 by Rogers and his Urban Task Force, Rogers later recalled, was that 'the only sustainable

way to do this was by using brownfield sites and intensification in well-designed compact towns and cities … Continuing to build on greenfield land, while there are still brownfield sites available, would destroy urban vitality as well as creating environmentally damaging suburban sprawl.'[1] But this, needless to say, begged the question of where exactly suitable, plentiful and available brownfield (that is, previously developed) urban land could be found. In time, the government's advisers alighted on the answer: urban public land. And not just any urban public land. The best prospects for the type of residential intensification/densification recommended by Rogers lay, it was argued, in England's remaining council estates.[2] The key collective statement of this argument is found in an enormously influential 2015 report published by the Institute for Public Policy Research, entitled *City Villages*.[3] Regeneration, in short, would, it was said, turn dilapidated council estates *into* the urban villages of the report title – and it would save England's greenfield land into the bargain. As one of the editors of the report, the Labour peer Andrew Adonis, wrote:

> The word 'brownfield' conjures up images of ex-industrial land, slow and expensive to develop. Much of the commentary on 'brownfield' also highlights redundant public sector land, including ex-military, transport and NHS sites, which is easier to develop but often still highly challenging and expensive, especially in London, given the high value/price of the land. However, by far the largest source of publicly owned land suitable for new housing features far less in the 'brown-field' discussion, although it is already owned by local authorities, and has existing residential use and infrastructure – namely, existing council housing estates … Southwark council owns 43 per cent of the land in its borough, mostly council estates … Islington council alone owns about 150 council estates of 50 homes or more on some of the most expensive land in the world.[1]

Two interconnected dimensions of the *City Villages* vision are especially important to my analysis of the logic of public-land privatization. First, these proposals mobilize and are fuelled by a very particular concept of 'surplus'. As we have seen, the government's standard justification for selling public land has been that this land is surplus to operational requirements.[2] It is not used. But council estates, and the land beneath them, very clearly *are* used. Indeed, with long and growing waiting lists (see Chapter 5), and essentially no vacancies, the council estates targeted by Adonis for new housing could scarcely fit the government's typical measure of 'surplus' less well. Yet, they

are envisioned as surplus; only of a very different kind. England's council estates are deemed surplus, and thus ripe for 'regeneration', firstly in the sense (as discussed earlier) that the state is no longer deemed an appropriate owner and manager of housing, and should thus transfer it to appropriate (that is, private) owners; and secondly in the sense that while these estates may be in use, they are not in the *right* use – or, more accurately, they do not house the right *users.* It is not so much the land that is surplus, then, as its current inhabitants. Here, in his chapter in *City Villages*, making the explicit link between surplus population and (thus) surplus land, is Rogers:

> by the latter half of the twentieth century, urban depopulation, new towns and car-based suburban sprawl had brought their own problems. They created a toxic legacy of hollowed-out cities, scarred with derelict and brownfield sites, *abandoned by those middle-class families able to make that choice*, and with communities deserted by failing local services from schools to shops. These threatening urban voids were not just a terrible waste of land, but also of human potential. Sixteen years ago, the Task Force argued that we needed to create an urban renaissance – based on design excellence, social wellbeing and environmental responsibility – to remove this blight of dereliction from our urban areas and accommodate more housing.[1]

The key clause is the one I have emphasized: *abandoned by middle-class families.* It is in being used by non-middle-class families that England's cities, and its council estates specifically, have become, *pace* Rogers, toxic, hollowed-out, derelict, wasted, blighted voids – in a word, surplus.

In theory, 'regenerating' these council estates should not *necessarily* mean privatizing the land they sit on. Local authorities could renovate or replace housing stock themselves, or outsource regeneration to the private sector, while retaining landownership. Adonis, for instance, wrote generically of local authorities 'leveraging their land ownership, particularly their ownership of existing council estates', in order to provide 'significantly more and better housing at a broad range of price and rent levels … By systematically mobilising their vast ownership of land already designated and used for housing' in the capital, for example, 'local authorities could pioneer the creation of many hundreds of new city villages London-wide'.[2] Landownership can be 'leveraged' or 'mobilized', to use Adonis's non-specific terminology, in many ways; it need not entail sale. Yet, the reality is that this vagueness was ultimately euphemism. For the second key pertinent dimension of the *City Villages* proposals is that, taken as a whole, disposal *is*

clearly the preferred, default mechanism of landownership 'leveraging' that the authors have in mind – the best means of dealing with 'surplus'. Adonis himself implicitly acknowledged as much, noting that the biggest obstacle then facing prospective developers of city villages was 'the timely release of suitable public land', as if land had to be released to enable redevelopment. 'The systematic renewal of council estates', Adonis continued, driving the point home, 'could provide a steady supply of such land'.[1] Another of the report's authors, Yolande Barnes of Savills, was more explicit still, asserting that London's council estates 'represent valuable reservoirs of increasingly scarce land in a global city that faces particularly strong pressures from a growing population', and giving no sense of course that this land was – is – already inhabited.[2] And if land privatization was evidently the instrument of choice for estate regeneration envisaged by the *City Villages* authors, it has also, Chapter 5 will show, generally been the reality.

The notion that existing council estates are in some sense surplus property is, of course, absurd, if not scandalous – a ghastly projection of class prejudices and occlusions onto the very fabric of urban space. But what of the linked concern that were council estates not to be redeveloped and densified, England's greenfield land risks being depredated? Leave aside, for now at least, the fact that the planning system effectively prevents development on Steen and Rogers's precious greenfield land, and thus that they overstate the dangers of its imminently being – in Steen's evocative words – 'eaten up'. The more important fact is that Britain's 'green and pleasant land' is not remotely as imperilled as Steen and other members of the countryside lobby like to suggest.[3] Their argument that 'green' land is rapidly disappearing and must therefore be preserved at all costs has been a remarkably powerful one. 'Most people think that more than 50 per cent of England is built on', notes the housing and planning consultant Colin Wiles. But this is miles wide of the mark: 'the actual figure is 10.6 per cent. Across the UK as a whole, it's as low as 6.8 per cent. These figures include areas such as parks, gardens, allotments and sports pitches. By the time those have been taken out the figure drops to just 2.27 per cent.'[4] Still: 'Emotive headlines, driven by [the countryside] lobby, scream of a green and pleasant land at risk of being "concreted over". It is', says Peter Hetherington, 'a great deception.'[1] Lay bare that deception, and one of the principal justifications for selling 'surplus' public land in the nation's cities – that, otherwise, Britain's dwindling green

land may be even further eroded – crumbles away.

Indeed, plenty of commentators believe that the green belt is precisely where development should be taking place.[2] Wiles is one of these. Not only, he observes, is Britain not being concreted over; the 'green belt', in fact, is not all green:

> Contrary to myth, the only function of the green belt is to stop urban sprawl (cities growing into one another). Green belt land has no inherent ecological or agricultural value, nor is it chosen because it has natural beauty or protected wildlife. Much of it is poor-quality scrubland or used for intensive farming, and defined as green belt purely to stop cities from growing. Most is privately owned and not accessible to the public.

Furthermore, green belt land does not even perform its ascribed function particularly well. 'The green belt has not stopped growth', explains Wiles, 'it has just pushed it further out into rural areas not defined as green belt. Towns and cities grow by developing beyond their green belts and creating what we have come to term a commuter belt.'[3] Martin Wolf, of the *Financial Times*, agrees with Wiles that the green belt should be developed for housing.[4] So too, to an extent, does Sir Michael Lyons. The government's singular obsession with releasing for development brownfield land exasperates him: '[U]ndue emphasis on what can be achieved with brownfield alone is always likely to be an over simplistic response to the land supply question'. But, for solutions to that question, he looks farther afield than Wiles or Wolf, which is to say, beyond the green belt per se: '[T]here are still large parts of the country that are neither protected nor urbanised'.[1]

The issue of where exactly land is located is relevant in a further sense as well. The assertion that released public land will enable the private sector to deliver homes, jobs and growth presupposes that the surplus held by the state will actually be useful for these specific purposes. But this, too, is not necessarily true. Andrew Cox noted as early as 1984 that 'public sector land is often in areas which are unsuitable for private house building'.[2] Land held by the Ministry of Defence is a good example. Like all obedient public bodies, the Defence Infrastructure Organisation, which manages the Ministry's land, has in recent years had a policy of 'divest[ing] itself of properties that are surplus to requirements, particularly where these can assist wider government initiatives to provide land for housing'.[3] Yet, as Mark

Smulian recognizes, this ‘can be problematic, since many redundant military bases are in remote locations or lack the energy and water supply that a new settlement requires’.[4] Selling such land is clearly not the answer, or at least not the straightforward answer it is typically made out to be. And it is not just ‘remote’ land that may not fit the bill. Consider the response of the late Labour politician, Allan Roberts, to one of Steen’s ‘simplistic’ disquisitions on ‘how to deal with vacant, dormant and under-utilised land’: ‘I represent an inner-city area [Bootle, on Merseyside] where there is a great deal of dormant, derelict and under-utilised land, and I can tell the hon. Gentleman that the reason why it is in that state – whether it is in public or in private ownership – is that no one wants to use it.’[5] In other words, there was a reason why the land in question was surplus, and that reason was not hoarding.

There are also deeper, more fundamental reasons to question whether the release of public land is useful for the houses, jobs and growth that advocates of privatization expect it to generate. Do houses, jobs and growth substantially depend on land? Are these objectives as land-hungry as those championing privatization suggest they are? Housing clearly is. But jobs and growth? These days, Britain’s economy is not a primary-sector affair – one based on agriculture and the production of primary resources. Neither is it largely a secondary-sector economy, based on manufacturing. It is primarily a services economy; as the same British governments propelling land privatization repeatedly tell us, it is an ‘information-based’, ‘knowledge-based’, digital economy. If so, why on earth is such a big deal made about land? Why is (more) land so crucial to private-sector growth if the economy of the future is online, or in our heads? The government is at least sixty years behind economic theory on this score. In 1951 the Nobel-winning economist Ted Schultz summarized as follows the prevailing economic wisdom concerning the decreased significance of land (in this regard, at least) to Western economies: ‘[I]n particular countries, land is no longer the limitational factor it once was; for instance, in such technically advanced communities as the United Kingdom and the United States and also in many others, the economy has freed itself from the severe restrictions formerly imposed by land’. The ‘economic dependency of people on land’ had, Schultz said, been greatly diminished, thus ‘relax[ing] substantially the earlier iron grip of the niggardliness of Nature’.[1] Analysing UK census data, James Gleeson has calculated that, in 2011, a typical manufacturing job was

in an area with twenty-two jobs per hectare, whereas the corresponding figure for finance, real estate, professions and administrative jobs was 166.[2] But we continue to be told that the twentieth-century British economy is endangered unless more land is offered up to the private sector.

Thus, it is unsurprising that the government's evidence base for the claim that releasing surplus land leads directly to enhanced employment and growth outcomes is remarkably flimsy. It could scarcely be otherwise. I noted earlier that, in recent years, the GPU has highlighted the professed link between surplus land disposal and the upsides of economic growth. Whose research does it turn to in order to substantiate this link? That renowned, independent, trained economic researcher … the estate agency, Knight Frank: 'In January 2013 Knight Frank published a report showing that, in London, rationalisation of the government estate reverberated through the economy and construction sector to stimulate the London economy by around £3 billion.'[1] Other proponents of public land disposal who peddle the line that this leads to miraculous economic outcomes rely on similarly authoritative sources to stake their claims. A 2015 analysis, 'Using Surplus Public Land for Housing in London', co-published by the international law firm Berwin Leighton Paisner (BLP) and London First, the business lobby group, cited 'recent research' estimating that 'two million new homes could be built nationally on surplus public land. Of these, over 100,000 could be built on land owned by the Greater London Authority group (including Transport for London).' The esteemed author of this 'research'? The estate agency, Savills.[2]

And sitting alongside such threadbare, compromised 'evidence' in the rhetorical arsenal of those who link housing, jobs and growth benefits to public land disposal, we find plain old wishful thinking. To wit: those invoking the link in question simply assume or believe that, once the land has been released, the private sector will dutifully do exactly what they think or hope that it will do. 'Put simplistically', the BLP/London First report submits, 'the more surplus land brought to market, the more land there is in the market in general and the greater the likelihood of more houses being built.'[3] Simplistic about sums it up. None of the links in this presumed logical chain is unpacked or interrogated; rather they are taken for granted, going back of course to the idealization of the private sector I touched on earlier. But there *is* no a priori reason to assume that, once land has been

commodified, the private sector, unless suitably incentivized, will do one (good) thing with it rather than another (less good). The status of such logic as mere wishful thinking will be laid bare in later chapters, when we consider what the private sector has, in reality, actually done with released public land.

Land claims

Finally, and most importantly, it is routinely taken for granted that the private sector *really does need more land* – that the reason it cannot or does not do the things the government wants it to do, such as build more houses, is that it lacks the land required. This premise is never questioned by those who make the case for the disposal of public land, even though – or perhaps because – its truth is indispensable to their logic. But the fact of the matter is that the evidence suggests that it is, in fact, false. I alluded to this earlier, when discussing vacancy rates in the public and private sectors. Now I want to make this case more emphatically. The private sector does not lack land; and nor, more significantly, does it lack land that is suitable for commercial development, or for which planning permission has been granted.

Unwittingly, Grant Shapps gave the game away when, in 2012, he lauded the coalition government's plan to accelerate the release of surplus central government land in England for housebuilding by the private sector. 'An estimated 40 per cent of larger sites suitable for development are owned by the public sector', he announced. Shapps described this as an 'astounding fact' – how terribly wasteful the state is! – and identified it as 'an opportunity for Government to make a difference particularly in times of austerity when we must all make the best use of our assets'.[1] But it does not take an advanced mathematician to calculate that, if the public sector owned 40 per cent of developable large sites, then the private sector owned 60 per cent of them. Land-constrained? Not judging by those figures, which would presumably prompt curious minds (but clearly not Shapps's) to ask whether the private sector was really making best use of *its* assets. In Scotland, meanwhile, the private sector owns an even greater share – 75 per cent – of all 'derelict' and 'vacant' land, three-quarters of which is considered developable.[1]

The evidence is indeed abundant that the private sector has more than enough developable land at its disposal, including to build far more homes than it recently has been doing. In December 2015, a *Guardian* investigation reported that Britain's biggest housebuilders owned enough land to build

more than 600,000 new homes. Over 450,000 of these plots were accounted for by the four largest companies in the industry – Barratt, Persimmon, Taylor Wimpey and Berkeley (yes, the same Berkeley that, as we saw earlier, called on the government in the same year to 'urgently release' more public land).[2] The following month, a study commissioned by the Local Government Association (LGA) and conducted by construction market analysts Glenigan disclosed the number of unimplemented residential planning permissions in England and Wales – that is, residential developments approved by local authorities but, for whatever reason, not yet built, and thus roughly corresponding to the share of the *Guardian*'s 600,000 number with planning permission in place. The total was over 475,000 – an 'astounding' number, one might think.[3] More recently, it has been shown that out of a total of 1,725,382 residential planning permissions granted in England between 2006 and 2014, less than half (816,450) had been completed after three years.[4] The most up-to-date picture for London mirrors the national one: of 54,941 permissions granted during 2014, only 29,701 homes had been completed or were even under construction three years later.[5] Nearly half of the permissions, in other words, remained unimplemented.

Such data give the lie to a powerful myth we encountered earlier. As the LGA's housing spokesperson, Peter Box, noted upon the release of the Glenigan analysis in 2016: 'These figures conclusively prove that the planning system is not a barrier to house building. In fact the opposite is true, councils are approving almost half a million more houses than are being built, and this gap is increasing.'[1] In recent years, councils have consistently approved around 80 per cent of major residential planning applications, of which the proportion approved within thirteen weeks or an agreed time period has increased from a little below 50 per cent in 2011–12 and 2012–13 to 84 per cent in 2016–17.[2] This, apparently, is the 'log-jammed planning system bringing new housing development to a halt' that we have heard all about. The LGA sees the answer, or at least part of it, in giving local authorities powers to charge developers Council Tax on unbuilt-but-approved developments sitting idle in their land banks. Interestingly, Ed Miliband, then leader of the Labour Party, suggested something similar – a 'use it or lose it' policy – in mid-2013.[3] Andy Wightman, also on the Left, recently proposed a comparable levy in Scotland – a tax on vacant private land that he calculated

could raise £200 million a year for public services.[4] In Wales, meanwhile, the government, led by Labour's Carwyn Jones, has announced its intention to introduce just such a tax, on vacant land where permission has been granted but no work commenced.[5] Equally interestingly, similar suggestions have come from the opposite end of the political spectrum. Daniel Bentley of the Right-leaning think-tank Civitas wrote as follows in mid-2016: '[Prime Minister Theresa] May should impose build-out rates on all developments, requiring homes to be released into the market much more quickly. Where developers fail to comply they should face fines and forfeiture of the land.'[1] And in early 2018, with evidence of land banking by developers having mounted (see Chapter 5), the Conservative government revived Miliband's 'use it or lose it' idea, albeit without crediting him.[2]

But why though do developers frequently sit on land, including land with planning permission, rather than promptly building the homes that everybody appears to agree are required? This is a good question. I will not spend too much time on it here, because we will revisit it more closely in Chapter 5. Part of the answer clearly relates to a lack of meaningful incentives not to hoard land. If a developer receives planning permission but does not build, the only thing it currently risks forfeiting is the permission, which generally lapses after three years, and costs little to reapply for.[3] But the answer is mainly a matter of supply and demand. Increase the supply of a product – such as housing – without a commensurate increase in demand, and the result tends to be a fall in that product's price. Scarcity, real or manufactured, keeps prices high.[4] If British housebuilders were to flood the market with new homes, there would be a very real prospect of prices falling – and thus profits along with them. 'The problem', then, as Civitas's Bentley says, 'is with the way that developers drip-feed homes into the market to maximise sale prices.'[5] Since they are not penalized for hoarding land, developers hold new-build projects back until they can be sure that the price is right, feeding the market, in Lyons' words, 'at a rate that will result in the best price for the sale of the homes'.[1] Almost everyone now agrees that this is the principal reason for sluggish build-out rates on large sites. In providing testimony to Sir Oliver Letwin for an enquiry into land banking that is ongoing at the time of this writing (Chapter 5), and which has calculated the current median build-out period between planning consent being granted and the last home on a site being completed to be an extraordinary 15.5 years, Britain's major

developers argued that in fact the delivery of new homes ‘is typically held back by a web of commercial and industrial constraints’.[2] But Letwin, seemingly, is having none of it. He wrote in a March 2018 interim update:

> I am not persuaded that these limitations (which might well become biting constraints in the future) are in fact the primary determinants of the speed of build-out on large permitted sites at present … The fundamental driver of build-out rates once detailed planning permission is granted for large sites appears to be the ‘absorption rate’ – the rate at which newly constructed homes can be sold into (or are believed by the house-builder to be able to be sold successfully into) the local market without materially disturbing the market price.[3]

The reason developers do not develop, in short, is to protect profitability.

For our current purposes, meanwhile, the more important issue is not why developers hesitate to develop, so much as the implications of their vast resulting land banks for the particular arguments we have been examining – namely, those in favour of the disposal of public land. Those arguments, baldly stated, are predicated on the claim that the private sector lacks available, developable land, which is why they need to be provided with it by the state. But that claim is demonstrably false. The idea that developable privately owned land is scarce is, in Kevin Cahill’s words, ‘a myth propagated by those with an interest in selling plentiful land expensively’.[1]

Also a myth, I therefore submit, is the notion that selling ‘surplus’ public land to the private sector is simply the right thing to do – the obvious and unarguable strategic option for the state. In this chapter I have shown the logic of this option to be flawed in practically every conceivable respect, the assumptions underwriting it riddled with inconsistencies, contradictions, delusions and basic falsehoods – from arguments about public-sector inefficiency and hoarding, and thus the reasons for the materialization of ‘surplus’ land, to arguments about the benefits of selling that surplus and the disbenefits of retaining it. These arguments, in short, simply do not stack up.

Given the weakness of the government’s logic, it is hard to avoid the conclusion that the decades-long public-land-disposal project pursued by successive British neoliberal administrations has been not merely the (inevitably flawed) enactment of that flawed logic, but, at least partly, also a function of ideology, politics and private-sector lobbying. More than thirty years ago, in the early 1980s, the political scientist Andrew Cox came to much the same conclusion, albeit in his case without close consideration of

the trailblazing Thatcher government's stated rationale for the land disposal that was already underway. He judged that such disposal appeared to be 'based on ideological prejudice'.[2] Much more recently, looking back specifically to Thatcher's (and Cox's) 1980s, Michael Rosen concurred: 'Behind these sell-offs was an ideology. The Tories then as now thought public property, funded publicly, used by the public, bred Labour voters'.[3] Also recently, the economist Diane Coyle remarked that in Britain 'the belief the public sector should own as little as possible' – of land, but also, one imagines, of everything else – is essentially 'an article of faith'.[4] She is right; and so too, surely, was Cox.

CHAPTER 4

Carrots and Sticks: Privatizing the Land

In a liberal democracy such as the United Kingdom, making a series of arguments in support of a major policy initiative – which the privatization of public land, for nearly forty years now, has undoubtedly been – is typically necessary to the achievement of that initiative; but it is by no means sufficient. Having a logic certainly helps, however debatable the logic might be; but the initiative does not simply enact itself, propelled by the power of that logic alone. Someone has to make it happen. And making it happen is likely to be particularly challenging when the enactment of policy depends on the actions of not one but many actors.

Privatizing public land represents a quintessential example of such a challenge. As I argued in the last chapter, the state's desire and determination to shrink Britain's public estate has been concentrated principally in Whitehall – in the Prime Minister's Office, the Treasury, and the Cabinet Office. But herein lies the problem: these three, between them, do not actually own much land. The public estate is owned not centrally but autonomously, peripherally. Individual public-sector bodies own their own land, and there are literally hundreds of these bodies: some twenty-five ministerial departments; twenty-one non-ministerial departments; 374 public agencies and other national or regional public bodies; seventy-eight so-called 'high-profile groups'; ten public corporations; two devolved administrations; and 407 local authorities.[1] Substantially privatizing public land therefore

requires all, or at least many, of these individual bodies to privatize their own individual holdings. In Chapter 2 (see Figure 2.2), we saw which such bodies were the biggest landholders when, at the end of the 1970s, the era of British neoliberalism began. If the privatization of land were to occur in any kind of meaningful fashion during the ensuing decades, the onus to act would be on these large landholders in particular.

And there are other potential obstacles to be overcome, too. What if these public bodies simply do not have any surplus to get rid of, or at least not much of it? As I argued in Chapter 3, this is a common state of affairs, despite repeated claims to the contrary by the champions of privatization. Or what if they do have surplus but do not admit it, zealously hoarding this land in the manner so often alleged? Or what if they have surplus, and admit it, but simply do not want to sell it? What if, in other words, they do not buy into the logic of disposal disseminated by Whitehall?

In this chapter I turn to the process of privatization – that is, how privatization has been effected. For exactly the reasons indicated, I analyse this process in terms of the key challenges to Whitehall that it has entailed. There have been four such significant challenges. The first has involved getting organizations across the breadth of the public sector, where necessary, to create surplus land – for, as I argued in Chapter 3, it is simply not the case that vast swathes of surplus land have always been 'out there', ready to be sold, and that they are still out there today. Where it does not exist, surplus must be eked out. The second challenge has involved getting public bodies to identify the surplus land they hold – to make it visible, and thus incontrovertible. The third challenge, once surplus has been identified, has involved getting those organisations holding it to decide to dispose of it. They may not want to. And the fourth and final challenge has involved getting them to sell it specifically into the private sector; other potential buyers, not least other public bodies, may be interested in the land; but privatization, of course, does not admit of these.

All four challenges have demanded considerable work on behalf of Whitehall and those it has enrolled into its policy project. In the next four sections of this chapter, I look critically at how each of the challenges has been confronted. In doing so, I do not mean to suggest that public-sector bodies beyond Whitehall have never been willing accomplices to the privatization of their land. They sometimes have been, and in these cases the challenges faced by Whitehall in effecting the creation, identification and sale

of surplus land have been minimal. Conservative-controlled local authorities, for example, have typically been more willing sellers than those controlled by Labour – and the Tory success in May 2017's local government elections, the gains from which were largely defended a year later, will clearly have given a further fillip to the ongoing disposal programme.[1] But the most consequential push for privatization has consistently come from the centre. And others' apparent willingness to sell does not necessarily imply endorsement of the centre's pro-market, small-state, small-land ideology. It may also simply reflect resignation: a sense that, as Margaret Thatcher repeatedly told her fellow public-sector officers, there really is no alternative.

Creating Surplus

Where surplus does not already exist, there have been, in essence, two main sets of methods to create it. The first set, already discussed in Chapter 3, comprises 'indirect' methods. Here, surplus land and property is the indirect product of wider neoliberal strategies to 'shrink the state'. If the state, including its number of personnel, is successfully shrunk, it will, other things being equal, require less land and property for its operations; hence the longstanding assumption among the government's neoliberal idealists that, in Alan White's words, 'progressively less and less space will be occupied' by the public sector.[1] But while these indirect methods have undoubtedly had a role to play in crystallizing 'surplus' public land, not least in the era of post-financial-crisis austerity, they are not my focus in this chapter, because they are not about land per se. Our focus will instead be on the 'direct' methods employed by the government, which have been specifically about land. These, simply stated, have involved attempts to encourage all public-sector bodies to use less land and property than they have in the past. In reality, surplus has been created through the two sets of methods working in combination. In 1996, for example, the Tory politician Paul Beresford explained in Parliament that various government departments, since 1990, had generated large amounts of surplus land thanks to a 'marked decline in civil service staff numbers' (indirect) 'combined with rationalisation, relocation out of London and the more effective use of office space' (direct).[2]

Turning to the direct methods, we saw in Chapter 3 that proponents of land privatization have widely criticized public bodies for 'inefficient' and

‘unproductive’ use of it, and that they typically explain this inefficiency with reference to the public sector’s treatment of land as a ‘free good’, which is to say one bearing no costs. A first step in getting public bodies to use land more efficiently, and hence to use less of it, thus freeing up surplus, has therefore been to persuade them that there is indeed a cost associated with holding land, and that the more land that is held, the greater the cost.

We see this already in what was in many respects Whitehall’s first significant shot across the bows of the major landholders among national public bodies, namely its 1983 report into the use of National Health Service (NHS) land and property, which at the time comprised some 50,000 acres (a little over 20,000 hectares) of land, in the region of 2,000 hospitals, and assorted other buildings. ‘Greater productivity in the use of buildings and land is at the core of our recommendations’, wrote the inquiry team, headed by Ceri Davies. ‘Valuable resources are wasted by the underuse of space in buildings.’ A leaner – if not meaner – NHS was in order. The way to make the NHS more efficient in its use of land and property, the team suggested, was to introduce a system of notional rents – notional in the sense that no actual rental payments would be made. ‘In effect’, the report explained, such a system ‘would be a performance indicator … which would show the effectiveness or otherwise of an authority’s use of capital assets.’ Ultimately, it was a question of fostering an awareness of the cost of land that had hitherto been lacking, on the part not only of its occupier but also of whichever body was to be charged with overseeing occupational ‘performance’. Rents represented ‘the only realistic way of bringing home to both planners and users the cost of the accommodation occupied’.[1]

While Davies’ specific proposal was never implemented, the seed had been sown. The following decades would see the rollout across much of the British public sector of various systems of asset rents – or, more generally, capital charging, the essence of which is that ‘the costs of capital facilities used in public service provision should be rendered explicit’.[2] The first such system was the Property Repayment Services (PRS), which was introduced to the civil estate – the land and property portfolio of the bulk of central government, with health and defence being the main exclusions – in 1985 ‘to bring home to Departments the cost of the accommodation that they occupy’.[3] Unlike the notional rent recommended by Davies, the PRS entailed an actual financial payment, assessed and levied by the Property Services Agency (PSA). The latter, founded in 1972, managed and maintained the

entire civil and defence estates in the 1970s and 1980s, supervising all estate construction work undertaken by private contractors; crucially for our story, its responsibilities also included all land and property disposals from these estates. Supporters of the PRS claimed that ‘applying market forces through financial pressures promises a more rational and more economic use of property’.[4] But the system never worked particularly well, and, like the PSA itself, it came under increasing fire from Whitehall and its policy advisers in the late 1980s, one critic from the free-market think tank the Centre for Policy Studies (CPS) dismissing the PRS as an ‘inadequate substitute for the market’.[1]

It was not until the 1990s, then, that the public sector first came face-to-face with capital charging ‘proper’, in anything like the form envisioned by its free-market acolytes. Again, the NHS was first in line: accountancy scholars regard the April 1991 launch of the NHS internal market as the true birth of capital charging in Britain.[2] Beyond the NHS, however, things moved much slower. Where the rest of central government was concerned, capital charging was eventually introduced as part of the wider Resource Accounting and Budgeting framework (on which more below); and although the decision to implement this new framework was announced in 1995, it did not become a reality until 2001–02.[3] The PRS thus survived deep into the 1990s, albeit in zombified form.[4] Neither did proper capital charging make it to local authorities until the 2000s, and then only unevenly.[5] Asset rents had in fact been applied to local authorities since 1994–95, in order, familiarly, to ‘concentrate the mind of the service department on the actual cost of its current occupancy’.[6] But these rents, like those earlier recommended by Davies, were initially just notional, and perhaps unsurprisingly they were judged even less effective than the PRS in driving the ‘incentive-driven rationalization process’ that, in Nick French’s words, Whitehall had hoped they would catalyse.[1] In a 2000 review of local-authority asset rents, the Audit Commission lamented that ‘very few councils have managed to introduce them in a way that affects user behaviour’.[2] The same year, the ministerial department with responsibility for local government noted the remaining need for ‘a significant incentive for local authorities to improve their performance in “asset” management’.[3]

In short, concentrating public bodies’ minds on land and property costs was typically not sufficient to drive improved occupying efficiencies. Indeed,

this proved true even where the costs were ‘real’, and were paid: in a 2009 study of the implementation of capital charging by thirty-two local authorities in Scotland, Michela Arnaboldi and Irvine Lapsley found a widespread lack of interest in actually using the accounting numbers to shape organisational behaviour. Managers ‘made little use of capital charging in cost control or in benchmarking with other local authorities’. Nor, generally did they use it in budgeting – only ten of thirty-two respondents even including capital charges in their budget. ‘The majority of respondents’, in short, simply ‘do not use these numbers’.[4]

So what else could Whitehall do? From the early 2000s, it increasingly set targets for space reduction, urging ever-greater property-occupancy densities on the public sector at large;[5] or, at least, it tried to. But here it faced something of a logistical problem. In the 1970s and 1980s, Whitehall had in theory enjoyed more-or-less ready access to all nooks and crannies of the central government (if not local government) estate through the PSA, which managed and maintained it on the government’s behalf. But after a decade of travails, in 1990 the PSA was wound up and split into two, with the state maintaining the property management arm (renamed Property Holdings) while the construction arm became a commercial entity. And then, in 1996, all responsibility for land-and-property holdings was devolved to individual departments. Later described in one report as creating a ‘departmental silo’ system, and in another as creating an ‘autonomous string of castles’, this radically decentralized new scheme of things would explicitly militate against any subsequent attempt to set and execute overall estate strategy centrally.[1]

So when, in the 2000s, Whitehall decided to begin to set targets for space reduction, and thus surplus creation – and also, as we shall see, for surplus disposal – it decided to do something about this silo system. It determined essentially to reverse the historic trend towards decentralization – *re*centralizing estate oversight, it was judged, would make policy enactment more viable. The Office of Government Commerce (OGC), established within the Treasury in 2000, provided an initial modicum of cross-departmental coordination and direction. And a strengthening of the OGC’s remit in 2005 gave it ‘a more interventionist role where departments may be departing from best practice’.[2] But both local government and core chunks of the central government estate, such as those held by health and defence, lay beyond its sphere of influence. Moreover, as the Treasury noted, the OGC

had ‘few formal sanctions available to it’.[3]

Thus, calls for wider and more vigorous centralized powers grew stronger. The National Audit Office (NAO) suggested ‘a central executive estates capability for the public sector’ to help ‘realise the opportunities for the efficiency savings we have identified’.[1] The Treasury, for its part, recommended the creation of ‘a new central property function’ covering ‘property across the whole of the public sector’ to help deliver ‘a rationalised and more efficient estate’.[2] In 2010 it got its wish, or part of it. The Government Property Unit (GPU), with central oversight over all government land and property, was created within the Cabinet Office. While local authorities retained responsibility for managing their own property assets, even here the GPU’s tentacles rapidly infiltrated, for instance through the One Public Estate programme (see Chapter 3, and below). More recently still, and somewhat confusing matters, an even more ‘elite’ centralized property management unit was established *within* the GPU: the Government Property Agency (GPA). Launched in April 2018, the GPA is explicitly designed to step in where government departments fail to seize the initiative on space reduction and surplus creation themselves, its mandate being ‘to realise the benefits that departments cannot’ – or perhaps will not? – ‘achieve on their own’.[3]

The government’s first explicit efficiency targets were set before the GPU was established. Seeing ‘significant scope for public sector property and land to be used more efficiently and effectively’, the Treasury had called in 2009 for occupancy densities within the civil estate to be driven down from 14.5 to 10 square metres (‘or better’) per full-time employee (FTE), thus delivering a 30 per cent reduction in the size of the estate-in-use.[4] (The National Audit Office had earlier floated the figure of 9 square metres.)[5] Pressure had also been applied on those departments beyond the OGC’s reach, especially defence. While acknowledging the Ministry of Defence’s ‘strategic aim to rationalise its estate so it is of the right size’, the NAO nonetheless complained that ‘it has not articulated this in terms of high level targets’. The Ministry, it said, should therefore ‘articulate what the right size of the estate is and how much this would cost, and also support the strategy with appropriate targets that allow progress on rationalising its estate to be measured’; and it should also gather the data necessary to enable it to ‘challenge customers’ [for example, the Army’s] estate requirements’.[1]

Space-utilization targets have since been integral to the GPU's (and now also the GPA's) mission. Its initial target, publicly rubber-stamped by the government, mirrored the Treasury's, namely that of reducing occupancy densities to 10 square metres per FTE. But it also set a target date: the end of 2015. Initially, at least, the challenge appeared to be lesser than the GPU had first imagined – by the year to March 2012, space occupancy per FTE had already fallen to 13 square metres.[2] A year later, the equivalent figure was just 11.9 square metres. Emboldened by this progress, the GPU therefore proceeded to set a revised, much more ambitious target: 8 square metres per FTE by 31 March 2018.[3] But progress has since slowed. It actually took until March 2017 for the initial target of 10 square metres per FTE to be achieved, which is to say fifteen months later than originally hoped for; only approximately 20 per cent of departments by this point had met or were within 0.5 square metres per FTE of the revised 8 square-metre target.[4] Nevertheless, an even bolder target – a positively claustrophobic 6 square metres per FTE – was recently established specifically for the so-called Government Hubs, which are major, shared, multi-departmental regional workspaces.[5]

Needless to say, these various targets have been informed by and realized through a veritable cornucopia of new public management techniques. Best-practice case studies; benchmarking; performance monitoring and assessment: everything one would expect to be present is there. The NAO set the trend – commissioning a private-sector consultancy, Concerto, to look at 'best practice in property management' – and others have dutifully followed suit.[1] The abiding principle, says Alan White, is that 'asset management efficiency must be regularly benchmarked against best performers in the private sector' (and of course the best performers are always in the private sector).[2] Take a look at the GPU's homepage, and the all-consuming nature of this disciplinary regime is clearly apparent:[3] 'Departments and their arm's length bodies are required to measure performance on all buildings larger than 500 square metres'; 'The Civil Estate Property Benchmarking Service measures the performance against private sector benchmarks [and] government targets and standards'; 'Key Performance Indicators allow reliable, like-for-like comparisons between individual buildings, as well as across property portfolios' – and so it goes on. White aptly summarizes the implications: 'Today, every chief executive and senior departmental manager

is under no illusion that their performance on effective real estate asset management will be scrutinised and their local authority or departmental performance metrics will be tested and benchmarked.'[4]

Of course the critical problem with all these collective measures to improve property efficiencies, and thus free up surplus land – and especially with those focused on capital charging (asset rents, and so on), is that they treat public bodies as what they are not: private-sector bodies. This is not to say that 'efficiency' is necessarily a misplaced objective for the public sector; it is not. But, as Doreen Massey has frequently noted (see Chapter 3), techniques for measuring, securing and even defining 'efficiency' – and many other putative 'goods' besides – that were developed by and for profit-oriented private-sector institutions inevitably fit ill in the public sector, where different goals and criteria apply, or at least should do.

Consider, for instance, local authorities, whose land and property assets include things like day-care centres, schools and their playing-fields, libraries, parks, cemeteries, tenanted farms, car parks, and museums. These, as Nick French observed more than twenty years ago, are very different from 'corporate property holdings in the private sector', tending to be 'more diverse and specialized'. Referring to a history of research on the difficulty of 'measuring' efficiency even in the private sector, which showed that 'there were many areas of operational property performance which were not capable of measurement in quantitative terms', French ventured that, in the public sector with its highly variegated estate, 'the problems of performance measurement experienced by private corporations will apply equally, and possibly to a greater extent'. He therefore warned that, with the dawn of capital charging, there was 'a great danger that pure financial measures are used inappropriately to judge the performance of social assets'. He foresaw a particular danger that 'over-reliance on the financial measures that are normally associated with [figures such as capital charges] will lead to a property management strategy which concentrates on maximizing profit at the expense of service provision.'[1] His warnings, needless to say, were not heeded.

Identifying Surplus

Land registers

Individual public bodies cannot, of course, sell surplus land if they are not sure they have it. More pertinently, Whitehall cannot realize a mission of releasing surplus land across the breadth of the public estate if it does not know where the surplus is located, who owns it, and what physical forms it takes. But this situation – a generalized dearth of knowledge about land held by public bodies, whether surplus or not – was precisely the one that the Tories inherited when they came to power in 1979. Public bodies had historically been under no obligation to produce asset registers, let alone to distinguish in them between land and property in use and not in use. Clearly, this had to change. The identification of surplus land was an absolute prerequisite for its release. Identification therefore became a strategic watchword for the incoming government, alongside cognate concepts such as transparency and visibility. It remains a watchword for the government today.

As always, the 1983 Davies report on NHS land, which represented such a symbolically significant moment in the modern history of the public estate more generally, is a useful place to start. In this report, surplus identification was singled out as crucial. Consider the inquiry team's terms of reference: 'to consider means which will ensure that Health Authorities identify underused and surplus land and property, and where appropriate dispose of it'.[1] Note the qualifier regarding disposal – that it should be done 'where appropriate'. Where identification was concerned, there was no such qualifier. The only thing that health authorities must be made to do, the inquiry team was told, was identify surplus and underused land.

For all its symbolic importance, however, the Davies inquiry was actually beaten to the punch on the specific question of surplus identification. One of the first statutes introduced by the Thatcher administration, in 1980, was the Local Government Planning and Land Act, one of the main provisions of which was the introduction of land registers. Designated public bodies were now required to identify and disclose all unused and underused sites larger than one acre (approximately 4,000 square metres). This was to include sites 'held for future operational needs but which are at present not used or used only for temporary purposes'.[2] Information about unused or underused sites was to be recorded on registers made available for public inspection both locally and in London. While identification of surplus land was the immediate objective, disposal was manifestly the underlying aim. 'We want to see publicly owned land brought into use instead of lying idle', a government spokesperson announced at the 1982 launch of a campaign to

publicise the registers: ‘We hope the registers will act as a catalyst to bring as much publicly owned land forward as possible for development, creating new wealth and jobs.’[3] They would do so partly by providing information for prospective purchasers.

The register scheme was mainly, though not exclusively, directed at local authorities. Other bodies to which it applied included New Town Development Corporations (see Chapter 3), nationalized industries, so-called statutory undertakers (accredited companies that carry out development and highways works), health authorities and government departments. But there is no doubt that local authorities were in the spotlight, nor that central government had little confidence or trust in their actually registering all of the land they were expected to register. Regional officers of the Department of the Environment, which was responsible for the registers, were encouraged to ‘check the position literally on the ground [and] suggest sites which should be put on the register’. So too were private-sector developers.[1] Whitehall’s instinct towards surveillance – driven by the belief that surplus land was not being fully disclosed – is still in evidence today. Advisers to the government on the NHS estate, for example, cautioned in 2017 that public-sector bodies ‘may tend towards under-declaring surplus estate [where] sale of estate is not deemed to be financially beneficial’.[2]

The first land registers – thirty-three of them – were published in late 1981. They contained over 20,000 acres (8,000 hectares) of land.[3] By the beginning of 1983, some 365 registers had been produced, and the amount of land registered had mushroomed to just shy of 108,000 acres across more than 11,000 sites, with the average size of these sites being a little under 10 acres. Local government accounted for the biggest share of registered land, with approximately 60 per cent. Nationalized industries and statutory undertakers accounted for about a quarter of the total, the biggest contributors being British Rail (14,000 acres) and the electricity boards (almost 3,500 acres). Only two government departments, meanwhile, had registered a material quantum of surplus: Defence (a paltry 2,466 acres) and Health (2,185 acres).

In time, the original land register scheme would fall into disuse. Michael Heseltine, the principal architect of the 1980 Act, would remark three decades later: ‘Why this initiative fell from use is lost in the mists of time.’[1] As we shall see in due course, however, other such schemes would duly

follow, some similarly focused on local government, while others targeted primarily the various departments of central government – but all of them being centrally concerned with identifying surplus land, and bringing it into the domain of the visible. In short, transparency was now on the table, and would never leave.

This is striking mainly because little such concern about transparency and visibility has generally been evinced by government about the 'other' main segment of the system of British landownership: private landownership. In fact, one of the most remarkable, idiosyncratic and controversial aspects of private landownership in Britain is the opaque veil of secrecy that so often surrounds it. The government's insistence during the neoliberal era that public landownership be fully exposed to public scrutiny stands in stark contrast to its longstanding reluctance to do anything meaningful to make private landownership more transparent. This is a clear case of double standards, with clear political implications.

In 2014, George Monbiot wrote:

> Walk into any mairie in France or ayuntamiento in Spain and you will be shown the cadastral registers on request, on which all the land and its owners are named. When The Land magazine tried to do the same in Britain, it found that there was a full cadastral map available at the local library that could be photocopied for 70p. But it was made in 1840. Even with expert help, it took the magazine several weeks of fighting official obstruction and obfuscation and almost £1,000 to find out who owns the 1.4 sq km around its offices in Dorset. It discovered that the old registers had been closed and removed from public view at the behest of a landed class that wishes to remain as exempt from public scrutiny as it is from taxes.[2]

Establishing even the most basic information about private landownership in Britain, Monbiot claimed, is not just incredibly difficult, but enormously expensive – and in fact, as we will see, often impossible. The British system of disclosing information about private landownership is, in short, profoundly undemocratic. As Monbiot pointed out, this cuts to the core of the nature of Britain as a professed liberal democracy. 'What sort of nation is this', he asked, reasonably enough, 'in which you cannot discover who owns the ground beneath your feet?'

While Monbiot's protestations about gaps in landownership information have helped bring the matter to the attention of a wider audience, he builds on the painstaking work of a handful of dedicated scholar-activists, including

Kevin Cahill, Andy Wightman and Guy Shrubsole, who have documented those gaps in detail, and done much to explain the reasons why they exist. The basic reason is that Britain's systems of land registration are decidedly imperfect. They have improved over time, especially the system for England and Wales (Scotland has a separate registry). As recently as 2005, the ownership of less than half the land mass of England and Wales was officially registered. By the middle of 2015 – spurred by new legislation ensuring for example that certain land transactions that had not previously triggered compulsory title registration would now do so – coverage had increased to 85 per cent.[1] But there are still many loopholes. One concerns the option agreements under which developers hold large amounts of land, as the Labour politician (and sociologist) Roberta Blackman-Woods noted in a 2015 parliamentary debate:

> We also heard nothing from the Minister [for Communities and Local Government] about whether the Government intend to promote best practice in improving the transparency of land transactions by reporting all aspects of the transaction of land to the Land Registry. The lack of publicly available information about land transactions, ownership and options on land markets makes it difficult to understand the extent to which land is controlled by those who intend, or do not intend, to develop it. We need to increase transparency, particularly on options, if we are to ensure that enough land is made available for development. The Minister had absolutely nothing to say about that matter today.[1]

Indeed not. None of that vaunted 'transparency' here: options need not be registered.[2]

The overall registration situation in Scotland is even worse. A modern system of title registration was not introduced until as late as 1979. For the next three decades, the progress of registration was painfully slow. In 2011, Wightman estimated that, although around 60 per cent of Scottish land *titles* were in the register, the proportion of land *area* that was registered was far lower, because registration rates were much higher for small urban sites than for larger rural ones: 'Since most of the 1,500 estates that dominate rural Scotland are not yet on the Land Register, the extent of land registered is only around 18 per cent.'[3] New land registration legislation, introduced the following year, tried to hurry things along.[4] But it has not been effective. For many owners, registration remains voluntary, and hence most of the large estates mentioned by Wightman remain 'off grid'. At mid 2017, the estimated

proportion of land registered in Scotland had inched up to only 29 per cent.[5]

Furthermore, gaps in title registration are only part of the visibility problem where British private landownership is concerned – and perhaps not the biggest part. Even where ownership is recorded, the identity of the ultimate, 'real' owner often remains obscure. Owners have long enjoyed considerable scope not to enter their true names on the registers, but instead to use the name of a private company or trust, or even a pseudonym. Wightman is one of those to have investigated this practice. As an example, he cites Scotland's largest landed property, the Buccleuch estate, owned by Buccleuch Estates Ltd:

> So who owns Buccleuch Estates Ltd? The answer is that it is wholly owned by a nominee company, Anderson Strathern Nominees Ltd, a company whose total paid-up share value is £4, whose shareholders are four Edinburgh lawyers and whose total assets amount to £4. The company has been dormant since its incorporation in May 1992 and it owns 100 per cent of Buccleuch Estates Ltd, a company with total assets of £275 million and a turnover of £64 million in 2008. The purpose of Anderson Strathern Nominees Ltd is thus merely to hold the shares of Buccleuch Estates Ltd on behalf of others. Who those others are remains a mystery.[1]

The use of the names of companies incorporated overseas has been seen by some as a particular problem. An investigation published in 2012 disclosed that, since 1999, some 95,000 companies had been established in tax havens such as the British Virgin Islands specifically to hold British properties, conferring on the actual owners not only significant tax advantages but 'the privilege of not having their names made public'. The investigation found that, while some of the real owners do live abroad, many also live in Britain. More than £7 billion of offshore money flowed into British property in 2011 alone.[2] Much of the British property owned overseas is residential; but in some parts of the country it is commercial property that displays the highest foreign ownership levels. The proportion of City of London office space owned by non-UK firms had risen from less than 10 per cent in 1980 to over 50 per cent by 2011.[1] The Panama Papers leak in early 2016 brought the specific issue of anonymous, offshore-routed ownership of British land and property firmly into the public spotlight, revealing that more than £170 billion of British property, much of it in London, was now held in this way.[2]

British governments of the period examined in this book long resisted calls from campaigners to make private landownership fully transparent,

including in relation to ownership from overseas. As recently as 2001, a scathing assessment of the existing rules, and of their tendency to privilege 'privacy over transparency', was written by a Treasury official.[3] But the Blair government rejected his recommendations.[4] And when the latest phase of Scottish land reform enjoyed safe passage through Holyrood in March 2016, it had notable deficits. Amendments including one that would have prevented landownership via offshore tax havens were voted down.[5]

Still, in the past two years, there have definitely been signs of progress. Mid 2016 saw the introduction of a People with Significant Control (PSC) register for companies incorporated in the United Kingdom, requiring them to provide information annually about who their 'people with significant control' really are. At around the same time, the then prime minister, David Cameron, no doubt stung by the Panama Papers revelations (including those about his own father), issued a proposal whereby any foreign company owning or wanting to own UK property would have to join a similar new public register of 'beneficial ownership' information – a 'beneficial' owner, in theory, being the 'true' owner, who enjoys the benefits of ownership while not necessarily being the registered, legal owner. The government announced in March 2018 that a draft of the legislation needed to create this register would be published later in the year, and that it intends that the register will be operational in 2021.[1] Meanwhile, in November 2017, the Land Registry for England and Wales made data on land and property in England and Wales registered to corporate owners – UK or overseas-based – freely available.[2]

But it remains to be seen how much of an impact the PSC register and – when it is introduced – the register of beneficial ownership of foreign companies will have on our knowledge of the realities of private landownership in Britain. For one thing, there is of course no guarantee that those companies that sign the registers will provide accurate information about 'real' ownership/control. As one legal expert has commented:

> these rules may do nothing to combat those who are willing to conceal the true ownership of assets. Following the release of the Panama Papers, the Russian cellist Sergei Roldugin has been reported as the beneficial owner of companies with billions of dollars of funds, but there does not appear to be any certainty that he is in fact the owner. Who would be surprised if the register of property ownership does not also reveal a number of other Sergei Roldugins?[3]

Indeed, the discovery obligations envisaged specifically for the register of beneficial ownership of foreign companies appear to be particularly weak. 'The obligation on overseas entities', lawyers at the global firm Ropes & Gray observed, 'will be to take reasonable steps to ascertain who its beneficial owners are. So far as an entity is unable to verify this information, or determines it has no qualifying beneficial owners to be named on the [register], a statement to this effect can be made to Companies House'.[1] And, inevitably, not all companies will sign the registers in the first place. Even though the PSC register is in theory compulsory, for example, it was recently revealed that 130,000 UK firms have failed to provide the required information; and it is unclear what, if any, steps will be taken to ensure compliance.[2] Levels of compliance to the proposed register for foreign companies are likely to be even lower because to incentivize compliance the government will be relying primarily on restrictions on the relevant title, for instance regarding sale or leasing of the property. It has said that these restrictions will be 'backed up by criminal offences', but the question of territorial jurisdiction would make this an enormously difficult mechanism of adding bite to the bark.[3]

These long-simmering issues have a particular resonance for our narrative, beyond the double standards around transparency. And for two reasons. The first relates to the question of who has been buying the British public land that the state has for four decades been selling. I will be discussing this question at greater length in Chapter 5, but the answer, or at least part of it, is directly relevant here – because some, perhaps much, of this land has been and *still is being* acquired by the overseas companies whose ownership of British land has for so long been shrouded in secrecy. Given David Cameron's promise in 2016 to crack down on *private* British property 'being bought by people overseas through anonymous shell companies, using plundered or laundered cash', this is nothing if not hypocritical.[4] In a brilliant piece of investigative research, Anna Powell-Smith has revealed that even in the short period of time between the summer of 2017 and April 2018, public land worth more than £100 million was sold to companies registered in tax havens and secrecy jurisdictions such as Jersey, Guernsey, the Isle of Man, the British Virgin Islands (BVI) and the Cayman Islands. Some of these companies, Powell-Smith suspects, are UK-based developers using offshore vehicles. Others appear to have no substantive pre-existing UK connection to

speak of, including one – a ‘classic anonymous BVI company’ – that bought a west London site from the Mayor of London’s office for £6.8 million. In total, Powell-Smith identifies more than a dozen public bodies, across the length and breadth of Britain, as having recently sold land to such entities.[1]

The second dimension of particular resonance is more significant still. Research suggests that a material proportion of British properties being acquired by overseas owners, perhaps especially in London, serve the purpose of a ‘safe deposit box’ – in other words, they function as investments rather than means of accommodation. One study claims that ‘the investments of these elites result in many empty houses and apartments’.[2] Indeed, a 2014 *Guardian* investigation revealed an estimated £350 million worth of vacant properties on one road alone – The Bishops Avenue in north London. ‘Most of the properties in the most expensive part of the avenue’, it found, ‘are registered to companies in tax havens.’[3] ‘[T]he global super rich’, thundered Labour MP Tessa Jowell the following year, ‘buy London homes like they are gold bars as assets to appreciate, rather than homes in which to live’.[4] The existence in London of large numbers of such unoccupied or under-occupied properties took on a sickening quality in June 2017, in the wake of the appalling fire at Grenfell Tower. Jeremy Corbyn, the Labour opposition leader, and others called on the government – without success – to requisition empty homes in the borough of Kensington in order to rehouse victims of the fire locally.[1] By the terms that the government applies to public land, these and other unoccupied British homes are very much ‘surplus’, not being in use (except of course to store and accumulate wealth). But there have been no government calls for these surplus assets to be disposed of and put to ‘productive’ and ‘efficient’ use.[2] Yet, as Jowell observed of the situation in London two years before the Grenfell tragedy, ‘in a city enduring a housing crisis those empty homes could house 55,000’.[3] Why one rule for one type of surplus property and another rule for another type?

The government’s consistent focus during the neoliberal era, at any rate, has been overwhelmingly on public landownership, and on compelling public bodies, not private ones, to identify surplus. Reflecting in 2017 on the key estate-related trends of recent decades, government advisers remarked that, indeed, ‘[p]olicy initiatives encouraging rationalisation of estates have put increasing pressure on identifying surplus estate for sale’.[4] I have already discussed the first significant initiative to this end – namely the 1980 land

register scheme. Numerous comparable initiatives have followed. All have the same underlying ambition – making public landholdings in general, and surplus public landholdings in particular, more visible; and all are based on the same essential principle – if you cannot see it, you cannot buy or sell it. Figure 4.1 provides an overview of the main disclosure initiatives of this kind.

	Scheme	*Year introduced*	*Managed by*	*Bodies obliged to disclose*	*Disclosed information*
Continuously updated	Scottish Vacant and Derelict Land Survey	1988	Scottish Government Communities Analysis Division	Scottish local authorities and the Loch Lomond and Trossachs National Park Authority	Derelict and urban vacant land
	Register of Surplus Public Sector Land (now part of e-PIMS, but maintained separately)	2003	GPU (previously English Partnerships, on behalf of DCLG)	Central government and agencies	Surplus land
	Electronic Property Information Mapping Service (e-PIMS)	2005	GPU (previously HM Treasury)	Central government and agencies, non-departmental public bodies	All land and property assets
	Government Property Finder	2014	GPU	Central government	All land and property assets
	Registers of developable brownfield land	2016 (Housing and Planning Act)	DCLG	Local authorities	Developable brownfield land
Periodically published	Databases of public land in major city-regions	2015	Land Commisions (e.g. London LC, Greater Manchester LC)	All public bodies with land in the metro-region	All landholdings
	Inventories of surplus land holdings	2016 (Housing and Planning Act)	DCLG	All public bodies	Surplus land

Figure 4.1 Current public-land disclosure initiatives (England and Wales, except otherwise stated)

The only significant initiative missing from Figure 4.1 is the short-lived 'public property map', commissioned and published by the Department for Communities and Local Government (DCLG).[1] A single 'demo' map, identifying over 180,000 assets owned by almost 600 public-sector bodies, including central government and eighty-seven local authorities, was published in 2011; but the initiative was wound up in 2012.[2] All of the disclosure programmes identified in Figure 4.1, by contrast, remain 'live' at the time of writing. In every case, the principal impetus for the programme has come from Whitehall. As the table shows, it is quite a complicated picture. New disclosure initiatives have been launched at a dizzying rate, especially during the past half-decade. Many public bodies are required to

make disclosures under more than one scheme. And some public bodies are required to make disclosures under one scheme, while only being encouraged to make disclosures under another. The government's 2015 Local Government Transparency Code, for example, stipulated that all local authorities henceforth 'must publish details of all land and building assets', preferably 'on a monthly instead of annual basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as "real-time" publication)'. But it did not stipulate where or how, merely 'recommend[ing] that local authorities should publish all information possible on Electronic Property Information Mapping Service'.[3] Thus, if the picture looks complex and convoluted to the reader, it is all the more so for those required to lay bare their earthly wares.

Moreover, as has been true of so much about the public-land disposal project of the past few decades, the government's attempts to accelerate surplus identification through register schemes and the like have often been ham-fisted, and sometimes farcical. The best – and funniest – example concerns the penultimate register scheme shown on Figure 4.1, the Land Commission model. 'By formally bringing together public sector owners to develop combined registers of public assets across multiple local authorities and public organisations', the logic runs, 'the Land Commission model enables a strategic approach to managing public sector assets across a city and city-region rather than acting on a site by site basis.'[1] Greater Manchester has a commission (introduced in 2014); so too does London (since 2015). So flawed were the latter's initial efforts to produce a digital 'Domesday Book' of surplus brownfield public land in the capital that the sites it identified included scores that clearly cannot and will not be built on. They included City Hall, the British Museum and, most amusingly of all, 10 Downing Street.[2]

Accounting for surplus

The introduction of capital charging to British public-sector accounting in the 1990s and 2000s was part of a broader shift from cash to accrual accounting, implemented in the case of central government through the abovementioned Resource Accounting and Budgeting initiative.[3] There are many differences between cash and accrual accounting, but for our purposes the key one concerns what assets are visible in the accounts of a public body and how

those assets are valued. Under cash accounting, it is often only cash holdings that appear on the assets side of the balance sheet – land, property and other fixed assets are generally excluded. Furthermore, any non-cash assets that do appear are usually shown at 'book value' (the historical price paid for a particular asset) or are simply accorded a nominal value. Under accrual accounting, however, all assets are recognized, including land and buildings – and they are recorded not at book value, but at market value, 'fair value' or value in use, explicitly factoring in historic depreciation.

The technicalities of different accounting systems may seem obscure, dry and irrelevant to the tangible politics and economics of public-land privatization, but in fact that's not the case. They are crucial, and we have to understand their relevance. Land registers can tell the government and the private sector what pieces of land public bodies own. They can also indicate the size of those land parcels. But they generally do not record a value for them: they are focused on quantity, not quality. In view of the various financial motives for land disposal discussed in Chapter 3, however, the government has always been just as interested in how much public land is worth as in its usage – that is, its exchange as well as its use value. This, of course, is where accounting comes in. Different accounting systems represent different ways of seeing: something visible under one system may not be visible under another; something accorded significant value under one system may be valued much less highly under another. And different ways of seeing and valuing help to occasion, or militate against, different types of actions towards the entities to which value is ascribed.

Consider the following words in praise of accrual accounting in the International Monetary Fund's technical manual for implementing this system in the public sector. Accrual accounting, the authors claim, 'offers a number of benefits over traditional cash accounting from the point of view of government transparency, accountability, and financial management'. In particular, 'accrual accounting can help focus greater attention on the part of policymakers and the public on the acquisition, disposal, and management of government assets'.[1] In other words, transparency, accountability and management issues in relation to government assets – including land and property – and their acquisition and disposal are pivotal to the preference for the accrual method. This, perforce, makes accounting changes relevant to our story. As HM Treasury observed in 2005, the UK government saw in its own shift to the accrual method an opportunity 'to increase transparency' and to

buttress ‘delivery of the Government’s priorities for improving financial management across the public sector’.[2]

The significance of the choice of accounting method to issues of public land disposal has been brought home with particular force by the 2013 privatization of Royal Mail, and by subsequent sales of Royal Mail land. The privatization valued Royal Mail at £3.3 billion. Since it occurred, Royal Mail has sold several pieces of prime London real estate, thereby raising in the region of £400 million. Critics have complained, however, that the privatization seriously undervalued this land – one site, for instance, achieved a sale price of £193 million, but was valued in the privatization prospectus at just £29 million. The *Mirror* newspaper raged about a ‘565% mark-up’, adding its voice to that of those who said Royal Mail and its land had been sold on the cheap.[1] But the prospectus valuation was a net book value, not a market value – it was based on cash accounting, not accruals accounting. The *Mirror*, wittingly or otherwise, was comparing apples and oranges. Would the use of accrual accounting in the prospectus have helped the government secure a higher price for Royal Mail at privatization? Maybe, but maybe not. But it certainly would have provided a very different valuation picture. And, significantly, it would probably not have left the government open to misconceived charges of reckless asset-stripping. Ways of seeing matter.

One thing that accrual accounting, unlike cash accounting, can help make visible, for instance, is the ‘true’ value of assets owned by local government. In 2009, the Commission for Architecture and the Built Environment (CABE) published a fascinating report deploring the fact that parks and green spaces owned by British local authorities were not being ‘properly’ valued in most local authority accounts. Where these particular assets were concerned, the accounts had not yet caught up with the brave new world of accruals, and typically a simple nominal value would instead be recorded: ‘it may come as a shock to learn that most councils value public parks at just £1 each. Even the largest, most spectacular park, with beautiful mature trees, well-established shrubs, paths, benches and a bandstand, is usually valued on a council’s list of assets at just £1. Does this matter?’[2] CABE certainly thought so. CABE suggested that, because they were ‘financially “invisible” ‘ in the accounts, parks, and their value, were also strategically invisible, and thus in practical terms ‘downgraded’. CABE’s argument was that, by quantifying ‘the real value of park assets’, and in this way ‘making the invisible visible’ – the report’s title combined these two striking phrases – a different accounting

method would encourage stakeholders to protect and privilege parks rather than devalue and downgrade them.

CABE's enthusiasm for accrual accounting, however, would probably have given pause to anyone familiar with the history of public-land privatization in Britain over the previous three decades. We must be careful what we wish for. To be sure, accrual accounting makes public assets like parks more visible, their 'real' value more transparent; and this may encourage owners of such assets to treat them more carefully, to nurture and defend them, and hence preserve their value. But surely this depends on the disposition of the owner. An owner with no need or desire to sell assets is one thing. A reluctant owner, opposed to ownership on principle and determined to 'unlock' asset value by selling valuable assets to those better able to put them to 'productive' use, is another thing altogether. In the hands of the latter type of owner, a new accounting system disclosing hitherto invisible asset riches may not be such a wonderful thing. 'This study calculated the value of a major public park as £108 million', the CABE report enthused.[1] Was that the sound of George Osborne, chancellor at the time, licking his lips?

Crucially, the gradual implementation of accrual accounting across the British public sector has supported the identification (and valuation) not just of public assets in general, but of surplus public assets in particular. Taking local government as our example once again, the code of practice on local authority accounting, which is based on International Financial Reporting Standards guidelines, has for several years required surplus assets to be shown separately. In 2012–13, the total accounting value of these assets was £2.5 billion. What such figures show, the Audit Commission noted, 'is the potential store of value locked up in the estate'. They make this potential visible; they make it somehow *real*. No wonder Whitehall likes accrual accounting. The Audit Commission gushed that 'more comprehensive information on values will help councils decide whether to keep, maintain, or sell property, in the context of their wider strategic objectives'.[2] But this evocation of council freedoms of course overlooks the structural-institutional context within which local authorities operate – the pressure from Whitehall to create, identify and – as we shall now see – sell and privatize surplus land.

Disposing of Surplus

Pressure

In a parliamentary debate in 1982, the Tory Bill Benyon – owner himself of no less than 14,000 acres of land in Berkshire and Hampshire, presumably none of it surplus – repeatedly challenged Giles Shaw, under-secretary of state for the environment, about progress on surplus public land disposal.[1] Shaw assured him that his department, and central government more generally, was on the case. 'That is one of the policies that the PSA vigorously pursues', Shaw said, on behalf of the government. 'We are ensuring that nationalised industries' holdings and our own are disposed of as rapidly as possible.'[2]

But how? As I noted at the beginning of this chapter, there has never been any a priori reason to believe that, once surplus land has been identified, the public bodies that own it – of which, as we saw, there are literally hundreds – will necessarily be inclined to sell it. Where disposal is not the preferred strategy of the immediate owner, how has Whitehall sought to precipitate it? That is the question for this section. The answer comes in multiple parts.

Most of Whitehall's tactics have been 'positive', in the sense that they have been designed to make disposal more likely. But the government has also deployed 'negative' tactics, in the sense of removing existing regulations that serve to inhibit disposal. Over the decades since the neoliberal era began in Britain, there have been countless examples of this type of deregulation. Many came right at the outset, as Thatcher and her team immediately cut a swathe through the perceived thicket of barriers to disposal. In 1980, for example, and perhaps most notably of all, the Housing Act summarily removed local authority discretion over whether social housing should be sold, giving tenants their famous statutory Right to Buy.[1] The following year, the Forestry Act removed restrictions on disposals from the forest estate.[2] And so, ever since, it has continued.

Much of the positive action from Whitehall has come in the form of simple (but unrelenting) cajoling, persuasion, and pressure. 'Sell your surplus land', the insistent message has been. Innumerable recipients of this message have testified to it over the years, stressing its forcefulness. First under the cosh, as I have already intimated, was the NHS, which through to the mid 1980s was 'under pressure to release land and property assets … perhaps more than any other part of the public sector'.[3] Since then, Whitehall's scrutiny and solicitation has repeatedly swung from local authorities to major

landholding government departments, and back again.[4] In an impassioned speech in 1996, Labour's MP for Bradford South, Gerry Sutcliffe, lamented the years of unchanging 'advice' that councillors in his city had had to endure. 'What do we get when we speak to Ministers? They say, "Why don't you sell it off?" and, "Why don't you privatise it?" They said that about old people's homes, children's playgrounds that are not in use and school playing-fields. That is always their approach.'[5] A decade later, the government had changed – it had been a Labour decade – but the theme had not. This time the angry voice was a Conservative one. Decrying 'spiralling' waiting lists for allotments (in London, Camden's was approximately ten years long), Tony Baldry cited a history of 'consistent pressure on all local authorities to dispose of any surplus land, so few local authorities nowadays have surplus land of their own to convert into allotments' – this despite the fact that the 1908 Small Holdings and Allotments Act, still in force a century later, 'places a duty on local authorities to provide sufficient allotments according to demand'.[1]

Pressure to dispose of surplus land has also been applied in a variety of more strategic ways. Five stand out:

- *Squeeze budgets.* We have already seen that tightening public bodies' purse strings has helped create surplus land and property, insofar as it tends to shrink those bodies and thus the infrastructure they need. But it also acts as a stimulus to disposal: if less funding is forthcoming from central government, public-sector actors need to raise it themselves, and asset-disposal is an obvious candidate, especially in view of restrictions on borrowing (see Chapter 3). This assumes, of course, that, if public bodies sell land, they get to keep at least some of the proceeds; as we shall see in due course, this has not always been the case. But, assuming some or all proceeds are allowed to be retained, squeezing budgets can serve effectively to precipitate asset disposal. Much of the pressure applied on the NHS in the early 1980s, for example, was through cash limits, which were described in one analysis as 'biting'.[2] Similarly, financial pressures applied to the then still nationalized industries, such as the railways, 'created strong incentives to make sales'.[3] And the same 'incentives' were also smuggled into municipal budgets. In the early period of the Thatcher administration, all local authorities were subjected to cash limits on central

government grants, and some (the rate-capped authorities) to limits on total income. This created pressures encouraging, if not compelling, land disposal. Those pressures have never gone away, and since the financial crisis have redoubled. The London Metropolitan Police force is just one of many public bodies to have made significant sales of 'surplus' land and property in the post-crisis austerity period – in its case, almost £1 billion worth, including twenty-four police stations, between 2011 and 2017 – specifically in order to soften the blow of budget cuts.[1] Indeed, the spectre of budget cuts can effect pressure just as forcefully as their enactment. This is the reality potentially faced by service providers within the NHS in the wake of Sir Robert Naylor's 2017 review of the NHS estate. If such providers do not develop 'sufficiently stretching plans' – barely veiled code for 'plans for sufficient disposal' – for their parts of the estate, Naylor recommended, they 'should not be granted access to capital funding either through grants, loans or private finance until they have agreed plans to improve performance against benchmarks'.[2]

- *Circumscribe strategic options.* Whitehall has long extolled public bodies' operational and decision-making independence in relation to the land and property they own. 'We want you to be strategic', the message has typically been, 'but at the end of the day the strategy is yours'. Despite a history of certain actors being told exactly what their strategy should be – following the 1983 Davies review, for example, health authorities were required to submit action plans on land and property disposal – for a considerable period of time Whitehall was arguably largely true to its word (notwithstanding the incessant background hum urging disposal).[3] In the latter half of the 1990s, for instance, government departments were required to formulate essentially neutral 'estate strategies', which could, in theory at least, argue equally well for land acquisition, or at least maintenance, as for disposal.[4] In the same era, local authorities, required annually to submit asset management plans, enjoyed the same in-principle freedoms.[1] In fact as recently as 2006, government departments' options remained, on the face it, open: they produced Asset Management Strategies and Property Asset Management Plans as part of the OGC's High Performing Property initiative.[2] So there was perhaps some truth in what was still the prevailing official line: 'It is not the Government's policy to dispose of its estate as a matter of principle.'[3] But that has since

all changed, especially with the Tories' return to power. Disposal *is* clearly now very much a matter of principle – the only permissible 'strategic' option. The Treasury made it crystal-clear from 2009 that 'best practice' in asset management, to which all public bodies should aspire, was centred on disposal.[4] 'Land release strategies' – no room for misinterpretation or manoeuvre there – were introduced in place of 'estate strategies' and the like.[5] And now, in instances where public bodies have identified surplus land but not yet disposed of it, they must prepare reports to explain why.[6]

- *Rethink 'surplus'.* As I showed in Chapter 3, the all-important designation of public land as 'surplus' – so crucial to legitimizing its potential disposal – has never been a hard-and-fast one. Despite repeated pleas from those public bodies attempting to operationalize the concept in the day-to-day practice of asset management, the government has never satisfactorily defined surplus. And this, of course, provides space for slippage, for extending the potential scope of the term, including by suggesting that the traditional basis for differentiating surplus from non-surplus – land's necessity for operational requirements – may be insufficient. This, for example, was the case that the NAO made in 2010 regarding the defence estate. It noted that the Ministry of Defence classified its 575 sites into three categories: 72 per cent were 'core' (needed until at least 2030); 16 per cent were 'retained' (needed until at least 2015); and 12 per cent were 'for disposal' – primarily on the basis of 'operational need.' But, calling for 'radical estate rationalisation', the NAO submitted that this basis of classification was inadequate, 'insufficient to support both the alignment of the estate with changing operational requirements and structured cost reduction'. Instead, sites should be categorized 'by operational importance, utilisation, cost to maintain, condition, and potential value'. Why? Partly the better to 'identify sites and parcels of the land with potential for disposal'.[1]
- *Provide dedicated funds.* Perhaps the most straightforward and transparent way in which the government has tried to maximise the likelihood of surplus public land being disposed of has been directly to finance disposals, especially where the likely costs of disposal potentially militate against the owner bringing the land forward for sale. Not all surplus public land, for example, is in saleable condition. Money often needs to be spent to bring it into a condition that will attract buyers. Where that is the case,

the government has sometimes stepped in. As recently as August 2017, for instance, the DCLG announced a Land Release Fund, making £45 million available to local authorities to bring forward for disposal – specifically for housing – surplus land that might not otherwise be developed. Councils can apply for up to £15,000 per prospective home, for expenditure on works such as remediation or the provision of small-scale infrastructure.[2]

- *Set disposal targets.* Targets for tighter occupancy densities, discussed earlier, are designed to generate surpluses of public land and property; and separate targets, it has long been felt, can be beneficial to stimulating the disposal of such surpluses. Such targets have been a particular feature of the past fifteen years. In 2004, the government established general asset disposal targets, not specifying land and property. By 2011, £30 billion of public-sector assets were to be shed, with the bulk (£24 billion) to come from local government.[1] While these targets were considered generally effective, they were thought to be a bit too 'top-down' – not sufficiently tailored to the circumstances of individual public bodies.[2] Government departments have therefore subsequently been encouraged to set bespoke disposal targets, and for land in particular.[3] This was to be done within the framework of the aforementioned 'land release strategies'. In line with the wider shift in the emphasis of the government's land-disposal program towards providing land for housebuilding (see Chapter 3), these disposal targets have been quantified specifically in terms of projected capacity for new homes. In 2011, the government targeted the overall release of enough central government land in England for 100,000 new homes by 2015; the biggest individual targets were set by Defence (37,630 homes), the Homes and Communities Agency (16,230), Health (16,150) and the Department for Environment, Food and Rural Affairs (11,750).[4] I will consider the efficacy of these targets in the next chapter. In late 2014, a new overall target was set for central government disposal: enough released land for a further 150,000 new homes by 2020, revised upwards to 160,000 in late 2015 once contributions from individual departments – which 'expressed varying degrees of confidence in their ability to meet their contributions' – had been negotiated. This revised target was supplemented by a target for surplus land and property sales proceeds: £5 billion by 2020.[5] Meanwhile, local government has been given its own parallel targets. In 2016, it was charged with releasing land for 160,000 homes by 2020.[6] Within the mix,

> the One Public Estate programme, commenced in 2013, is targeting the release of local authority land for 25,000 homes, raising £615 million in capital receipts, by the same date.[1]

Given that much of the disposal of public land that has occurred since the early 1980s has been effected in the context of concerted pressure from Whitehall, it is perhaps unsurprising that doubts have frequently been raised as to whether disposals meet one of the government's own key criteria: 'value for money'. Can one really expect to secure value when selling under duress? One of the few insights of the 1983 Davies report on the NHS estate that the government seemingly failed to absorb was the fact that pressured sales rarely generate value. The report was heavily critical of past sales carried out 'without adequate thought about the part which such properties might play in the longer-term strategy of a [health] District', arguing that they had instead been designed 'to secure quick gains'.[2] Quick gains were the order of the day in early disposals from the forest estate, too. 'By publicly putting pressure on the [Forestry Commission] to raise money to help pay for the unemployment queues that the Government have generated, they are allowing the market to affect the Forestry Commission in such a way that it has to sell more and more land at lower and lower prices', Charles Kennedy, later the Liberal Democrat leader, explained in 1983. Fire sales never secure value. 'The market knows that it has only to wait until the price drops because the Forestry Commission has to sell. Is that not an economic contradiction of a most abject kind in dealing with our natural resources?'[3] As we have seen, other public bodies subjected during the same period to financial pressure, and thus likewise motivated to sell land quickly to make ends meet, included British Rail, which also got a raw deal from the market. Assets were sold 'before the time was ripe for them', and thus at 'less than their full market price'.[4]

Such critiques have never abated, since the practices in question have not changed. Public bodies have continued to sell because they are under pressure to do so; and they therefore often continue to sell under less than ideal economic conditions. One recent report, based on a large-scale survey of public-sector bodies, found that one in six admitted to feeling 'pushed' to dispose of assets for less than their optimal value. The report's authors came to an obvious conclusion: 'simply divesting public assets as quickly as

possible is a false economy'.[1]

Incentivization

It would be wrong to suggest, however, that otherwise-unwilling public bodies have sold surplus land only because they have been pressured in various ways to do so. From the very start, Whitehall has dangled carrots as well as wielded sticks. This was yet another respect in which the 1983 Davies report on the NHS set the tone for so much of what was to come. 'A powerful incentive for a [health] District to make positive efforts to identify and dispose of surplus property', it said, 'is that it should receive the full benefit of the proceeds of the sale.'[2] Government guidance in place at the time was that this should indeed ordinarily be the case; Davies recommended that the practice should continue. And the government had already made moves to extend this type of incentive system from the NHS to other parts of the public sector. The 1980 Local Government Planning and Land Act introduced a new system of capital expenditure control that allowed local authorities to increase their Housing Investment Programme allocations by the full amount of capital receipts from land sales. But this, it should be noted, was explicitly not about stimulating public housing development. On the contrary, local authorities were now being incentivized 'to release land in their ownership for new *private* housing development'.[3]

The rules and guidelines concerning what different public-sector bodies can and cannot do with receipts from the sales of different types of land and property have been repeatedly rewritten during the past few decades, and they are in many instances fiendishly complex. But four key conclusions can be drawn.

First, there has over time been a generalized extension and broadening of the capacity to retain and use sales proceeds, if not also of the proportion of proceeds that can be retained. Until the late 1990s, for example, the right to retain a share of proceeds was not available to government departments; all receipts had to be returned to central government. In 1998, however, the chancellor of the exchequer introduced new incentives that allowed departments to recycle receipts from disposals into new departmental assets.[1] Another example is much more recent. From 2016, local authorities were enabled for the first time to reinvest some of the proceeds of their asset sales into a range of specified frontline services, rather than just in capital

projects.[2] ‘This’, as Anna Bawden notes, ‘has given councils a greater incentive to flog assets’. In the twelve months to April 2017, £118.5 million of capital receipts were used in this way.[3]

Second, though, the capacity to retain and reinvest proceeds, however widely distributed, has almost invariably been curtailed in crucial ways. Perhaps the most important limitations have applied to social housing and housing land. When Right to Buy was introduced in 1980, local authorities were in theory allowed to reinvest sales proceeds in the upkeep of their remaining housing stock. But the proceeds proved so large that the Treasury soon imposed controls on local spending of the gains, with the effect that the receipts increasingly ended up in its own hands. Two significant subsequent developments further squeezed any local authority benefits. From 1990, councils were required to set aside 75 per cent of receipts to offset debts.[4] Then, in 2003, the rules changed again. English and Welsh local authorities were subsequently required to pay specified proportions of capital receipts into a national ‘pool’ managed by the Treasury: 75 per cent in relation to disposal of a dwelling, and 50 per cent in relation to disposal of any other interest in housing land.[1] Later in the decade, there was talk of changing these rules, but the 2010 Spending Review stipulated that receipts should continue to be surrendered to central government ‘as a necessary part of addressing the deficit in the nation’s finances’.[2] Once again, the logic of austerity prevailed. The extent to which local authorities’ share of the proceeds (from all types of land and property sales) has in recent years been squeezed became blatantly apparent in 2015, when the Tories’ election manifesto pledged to give councils ‘at least a 10 per cent stake in public sector land sales in their area’.[3] Clearly, some had been receiving nothing, or close to it.

Third, and just as importantly, even where there is in theory nothing – no official rules or guidelines – to stop sales proceeds being retained and used by the seller, the reality has often been different. The 1983 NHS report warned about this. ‘The incentive effect of sales proceeds’, it said, euphemistically, ‘may become diluted by the nature of disposal procedures’ – where, in other words, actual procedures did not follow intended procedures. Some regional NHS bodies, the inquiry team had found, simply did not comply with the guidance that receipts should generally accrue to the local district authority that had declared a site surplus.[4] Instances of sellers not receiving proceeds

they believed they were entitled to retain would become legion in the ensuing decades. A highly contentious example concerned the 1996 sale of the bulk of the Ministry of Defence's married quarters estate (see Chapter 3). One of the principal objectives of the sale was to raise sufficient funds to upgrade remaining service accommodation; but this did not happen. A subsequent defence select committee, upon investigation, declared that it was 'deeply disappointing that the incentives in the deal … have not operated as intended'.[5] When the committee asked why the proceeds from this and indeed other deals had been diverted elsewhere, it received a tortuous but nonetheless revealing explanation:

> Effectively the receipts from disposals come back to the defence budget. Now, it is not quite as simple as that because whenever a spending review is held a calculation is done, a prediction, with the Treasury as to how much we are likely to receive over the next three years, and that calculation is built into the calculations done as to the size of the defence budget. If we exceed those targets, in principle the arrangement is that the money is retained by the Ministry of Defence, but that is, of course, subject to discussion with the Treasury.[1]

In short, no guarantees.

The fourth and final conclusion to be drawn is closely linked to the second and third. It is that the incentivization of land disposal by allowing sellers to retain sale proceeds has never worked as well as Whitehall's successive occupants have consistently hoped it would. Reporting on his recent review of the NHS estate, for example, Sir Robert Naylor observed that, while allowing NHS foundation trusts to retain disposal proceeds should have encouraged disposal, 'this has not historically been the case, and providers have tended to hold on to land'.[2] Naylor therefore called for incentives to be strengthened; specifically, he recommended that the Treasury establish a '2 for 1 offer' in which funds from central government would match disposal receipts.[3] Doubtless the Treasury was not surprised (or impressed) by this recommendation – or indeed by Naylor's judgment that incentives to sell NHS land, as they stood, were inadequate. Reflecting in 2009 on progress in trimming the public estate more generally, the Treasury had itself already surmised that existing incentives – which, remember, had generally been expanded over time – were still 'not sufficiently effective'.[1]

And this was no wonder. Given that rules have long dictated that proceeds from the sale of one of the public sector's biggest assets – housing

and housing land – should be substantially surrendered by local authorities to the Treasury, and given that sellers of other public property assets have often not realized the proceeds they thought were due to them, it is unsurprising that Whitehall's 'incentives' are viewed with suspicion. As the defence committee concluded, the repeated diversion of capital receipts 'militates against innovative and creative rationalisation decisions: Defence Estates [since renamed the Defence Infrastructure Organisation] has no financial incentive to restructure the estate in a cost-effective manner if the proceeds from any sales are siphoned off'.[2] We can read in the exact same light Naylor's own recommendation that the Department of Health and the Treasury should provide 'robust assurances' to NHS providers that 'any sales receipts from locally owned assets will not be recovered centrally'.[3] As long as they continued to anticipate proceeds being siphoned off, those providers, like the managers of the Defence Estate, would remain reluctant to sell.

Compulsion

And so, in reality, Whitehall, in seeking to precipitate the disposal of surplus land, has frequently been faced with the following conundrum: What to do when landholders neither accede to various forms of pressure nor take the nominal carrot extended to them? Can anything else be done? Or has it been necessary to accept that, in such instances, surplus will simply have to remain on the public sector's books?

Over the years, including in the very recent past, two further approaches – neither of them subtle – have been employed to try to break the deadlock. The first has been to threaten and, if even that fails, compel. In 2012, for example, in the light of sluggish initial progress towards the target of releasing enough central government land for 100,000 new homes by 2015, Chancellor George Osborne threatened to take sites from departments without compensation.[1] As far back as 1984, under powers provided by the 1980 Local Government Planning and Land Act, local authorities had been forced to sell sites after being given four months within which to do so voluntarily.[2] The 2016 Housing and Planning Act not only revisited, revived and reinforced those particular powers of compulsion, but extended them to land held by all other public bodies, too.[3] Furthermore, it introduced measures that may in due course require English local authorities to sell their most valuable, 'higher value' council homes when they become vacant. This

was done to prepare the way for the government's highly contentious plan to extend Right to Buy to housing association tenants (who generally do not enjoy this right on the same terms as council tenants) – the plan being to use some of the council proceeds to compensate housing associations for selling housing assets at a discount.[4] Considerable scope for compulsion, as we shall shortly see, is also written into one of the key pillars of the second approach used by Whitehall to circumvent the problem of reluctant sellers – namely, to relocate away from the land's owner effective control over both the decision-making related to disposal and the process of its enactment. All of this has been pursued despite the fact that the Royal Institute of Chartered Surveyors says achieving market value – and thus presumably value for money – for a property explicitly requires that it be sold 'without compulsion'.

One way in which control of disposal has been taken away from many of the immediate owners of public land has been by increasing private-sector involvement. Here, I do not mean involvement simply in the marketing of surplus public land, which has always been outsourced to private-sector estate agents. Such marketing is a lucrative business, and it explains, of course, why commercial real estate agents such as Savills and Knight Frank have for many years been among the most fervent advocates of the UK state freeing up and selling surpluses.[1] Today, however, private-sector involvement in public-land disposal extends far beyond marketing per se, as commercial operators have come to capture – or have been given – more and more components of the wider process.

In reality, an inclination on the part of Whitehall to involve the private sector as much as possible in estate management – including disposals – was apparent from the very beginning of the neoliberal period. The wider public sector, as we have seen in Chapter 3, was assumed to be congenitally inefficient and inept in managing its land and property; there was therefore no reason to believe it would make the right decisions about what to sell, when, or how. Better to get the experts in – which is what the Thatcher administration, initially tentatively, did. One of the chief complaints about the Davies-led inquiry into the NHS estate in early 1980s, for instance, was that its terms of reference gave, in the words of one critic, 'massive power' to a small team that included two members from the private sector.[2]

Substantive widening and deepening of private-sector involvement did not occur until the 1990s. It was made practically inevitable by the

dissolution of the PSA in 1990. In one fell swoop, the public sector lost much of its internal real-estate expertise. As one concerned observer, the Scottish Labour politician Tam Dalyell, asked at the time, with the loss of such expertise, 'Who will make the judgements that the Government must make? … Who will make a decision quickly and effectively on the disposal of surplus accommodation?'[3] The private sector – that was who. This has increasingly been the case, for example, in relation to those called upon to provide Whitehall with strategic advice. In 2011, when it was exploring yet further ways to 'unlock the release of and maximise development opportunities on key surplus public sector sites', the government appointed a small team of advisers led by the chairman of one of the country's largest property developers, the Berkeley Group.[1] The fox had been invited into the henhouse. Similarly, in undertaking his recent review of the NHS estate, Naylor used the Real Estate arm of the global consultancy Deloitte to do much of the research, number-crunching and strategic analysis necessary to identify the scale of the available 'opportunity' to shrink the estate. He also cited two earlier estimates by private-sector advisors of the size of this opportunity, one by the estate agency Savills, who asserted that it would release land for 300,000 homes, and one by the consultancy Monitor, who judged that proceeds from the disposal would amount to £7.5 billion.[2] As it happens, there was a breathtaking irony, if not outright hypocrisy, in Naylor's appeal to private-sector advisors. Naylor explicitly bemoaned in his report not only the NHS's own such reliance in estate matters, but also the long-term evisceration of internal NHS property-related expertise that had brought about this reliance, and what he saw as the attendant planning 'deficiencies':

> Those with long memories will recollect that the various estate functions, particularly building and engineering, were well represented at the senior levels of regional, area and district health authorities during much of the history of the NHS. Successive reorganisations of the NHS have seriously eroded these capabilities to the extent that they hardly exist today. This has resulted in substantial reliance on external advice and serious deficiencies in strategic estate planning.[3]

As well as advising central government and other public bodies on land disposal, private-sector actors have, often at Whitehall's behest, also become increasingly involved in the direct planning and handling of disposal, thus expanding the sphere of their influence. In 2014, for example, when the Metropolitan Police in London set about trimming its 671-property estate by

in the region of 30 per cent (by area), with more than 100 separate properties to be sold in a bonanza expected to raise over £300 million, marketing was only one of the many functions relinquished to the private sector. Everything that could be outsourced was. Commercial estate agents were appointed to no fewer than five separate property contracts – the 'most prestigious corporate real estate services contract, which will involve all of the Met's transactional work', went to Knight Frank; the same agent was appointed to a new estate management contract; Lambert Smith Hampton would take charge of town and country planning consultancy; Deloitte Real Estate was awarded the valuations contract; and Savills won the contract for auctioneering.[1] And in 2016, Telereal Trillium, a leading property developer, announced that Central Bedfordshire Council had appointed it and four other companies, within a four-year framework agreement, to 'fund, manage and lead the planning and disposal process for the Council's surplus land and buildings'.[2] Given that surplus land disposal in Britain is today effectively synonymous with surplus land privatization (see below), outsourcing the disposal process to property developers and estate agents in this manner amounts, in effect, to the privatization of the process of privatization.

The other way in which control has meanwhile been substantially removed from many public-sector landowners is one I have already touched on in passing. Earlier in the chapter, we saw that, in the past two decades, Whitehall has endeavoured to recentralize public estate oversight and strategy-setting through the creation firstly of the OGC (in 2000), and then later of the GPU (2010) and the GPA (2018). In doing so, it has relieved numerous public bodies of their property management responsibilities. As a case in point, the number of government properties directly managed by the GPA – one of whose strategic goals, pointedly, is to 'release land for productive use [and] maximise capital receipts from the disposal of surplus assets', and to do so in partnership with its private-sector advisors Montagu Evans (property consultants) and Moore Stephens (accountants) – is expected to grow from an initial portfolio of 80 to 'over 1,000'.[1] But in 2013, Whitehall took an even bolder step, by centralizing disposals themselves. To 'ensure developable land is released efficiently to support housing and economic growth', the government ruled that, henceforth, with some notable exceptions, any land declared surplus by government departments and their agencies (including the disposals-oriented, increasingly powerful GPA) would be transferred to the Homes and Communities Agency (HCA) quango,

which would be responsible for the disposal of all such land.[2] (The exceptions included Defence land, NHS land, the forest estate, and land either inside London or outside England.)[3] For the first time, government departments would now no longer handle their disposals themselves, or even decide whether land was suitable for disposal.

In its turn, the 2015 Infrastructure Act massively widened, and in some cases strengthened, these centralized powers. Henceforth, the land of any public body in England, but outside London, and not just that of central government departments, could be transferred for disposal to the HCA – including, therefore, local authority land and defence or NHS land (forest land remained the one exclusion).[4] At the same time, a comparable system was established for public land in London, which could now be transferred to the Greater London Authority (GLA) for the same purposes of disposal. The provisions for transfer to the GLA contained a notable, arguably sinister, compulsion clause: 'A transfer scheme', the law says, 'may provide for the transfer of property, rights or liabilities that would not otherwise be capable of being transferred or assigned.'[5] All existing restrictions, it seems, can now be summarily overridden. All bets are off.

In short, the days of individual public-sector bodies deciding whether to dispose of surplus land, let alone carrying out the job, seem effectively to be over. Centralization of power was the government's ultimate, draconian response to the problem of dispersed public bodies not obediently playing ball on disposal. The solution to the challenge of ensuring that land declared surplus was disposed of was simply to abolish the challenge.

It seems increasingly likely, therefore, that public land identified as surplus will indeed be sold. What else might we expect from the centralization of disposals within the HCA and GLA? From the perspective of the government – and perhaps also, in this case, of researchers – another benefit may be improved record-keeping. One of the reasons that researching the history of land privatization in neoliberal Britain is so tricky is that data are sparse and thin. For a long time, most public bodies did not consistently keep records of what land was sold, to whom, and for how much. Even when they did, they tended not to share the information. An exasperated critic of the sale of public forest land in Scotland, the Labour politician Robert Hughes, seeking in 1983 to establish 'that the sale represents a fair return to the taxpayer and is not a matter of plundering the public purse for private

gain', was told that price disclosure would be a breach of confidentiality.[1] Two years later, during a debate on sales of 'surplus' school playing-fields by local authorities, the Tory politician John Carlisle remarked that 'nobody seems to know, not even Her Majesty's Government, exactly how much land has been lost'.[2] A decade on, the situation was no better. Asked to list numbers of school playing-fields by local education authority at various points in the past, the schools minister replied: 'No information is available for years before 1993.' Then asked to list capital receipts from sales of playing-fields, he replied: 'This information is not collected centrally.'[3]

The situation has historically been little better in other parts of the public sector. The Department of Health, for example, did not begin collecting data on surplus land sales until as recently as 2011 – and even then the information collated did not include sale prices, or whether sites were sold on the open market.[4] More recently still, the DCLG comprehensively dropped the ball when tasked with managing and reporting on the government's flagship programme of releasing central government land for housebuilding. A Public Accounts Committee report on the first phase of this programme, running from 2011 to 2015, found that the DCLG had not collated or recorded any of the information necessary to assess whether value for money had been achieved: sales contracts, commercial terms, means by which sites were sold, sales proceeds – none of it was available for scrutiny. The process was essentially a shambles: 'the Department was not even aware of the guidance departments should be following when disposing of assets and is therefore unlikely to have been able to monitor compliance with it'. The Committee dismissed the suggestion, still evidently in circulation some three decades on from Hughes's failed inquiry into the price paid for Scottish forest land, 'that the amount of any sale proceeds from the disposal of publicly-owned assets should be kept confidential – Parliament and the taxpayer are entitled to greater transparency than that'.[1] In short, whether due to government incompetence, secrecy, or a combination of both, much about the history of public land disposal in Britain remains behind a cloak of impenetrability. In now further centralizing power relating to land disposal, in order to improve its control of the process, the government will also, perhaps, finally improve its own – and the public's – knowledge of it.

It is of course to be hoped that, if public land continues to be sold (and the latest evidence strongly suggests it will), then various other oversights,

blunders, failures, and injustices characterizing past disposal practices will also be minimized or eradicated. Woefully poor data-collection is arguably a relatively minor sin in the wider scheme of things. The government's record is scarred by far more significant instances of incompetence, with much more damaging consequences. A particularly awful example concerns the disposal of Land Settlement Association (LSA) property in England (whose origins were touched upon in Chapter 2). The scheme was closed down, and all land sold, in 1981. At that time, there were land settlements in about twenty different local authorities across the country. As Sir Nicholas Lyell, a long-time advocate for the families affected by the sale, later noted, the scheme's closure 'left many tenants without jobs and potentially without homes'.[1]

The families' response was to sue the Ministry of Agriculture, Fisheries and Foods, which had run the LSA scheme, claiming loss of earnings and submitting a general damages claim for distress and anxiety to compensate them for the acute hardships suffered. But, to add insult to the original injury, the government's subsequent handling of the families' case was utterly bungled. 'The Tory Administration from 1979 to 1997 never properly managed it or sorted out its problems', claimed Diana Organ, MP, in 2000, 'and they managed the whole affair incompetently.'[2] She was right. For one thing, it had taken until the early 1990s for a settlement to be reached. In addition, the families were lumbered with hefty tax bills on their damages – even though it was established practice that compensation relating to hardship claims is not taxable, and even though the tenants were advised by their Queen's Counsel at the time of the settlement that it would not be taxable in their hands. Indeed, the Ministry itself believed the payment would not be taxable – but it was. And thus the tax burden was left hanging as a millstone around the necks of families who simply could not afford it. 'In summary', Lyell said in 2000,

> this is a long and unhappy saga in which 300 to 400 families of modest means have been badly treated by Governments over the years. They are continuing to suffer great anxieties eight years after they reached what they thought was a final settlement … Nearly all the tenants used their modest damages to help purchase the homes in which they lived. Most of them are now in their 70s, with few or no assets other than those homes and little or no income other than their state retirement pensions. The problem in their lives is the spectre of a tax bill that most of them do not know how they could pay. They are tired and frightened. Some of them have already sold up and moved away, hoping to avoid being chased for tax that they

could have paid only by selling their sole home or by incurring a heavy charge against its value.[3]

Privatizing Surplus

First look?

Having found ways to ensure that surplus land is created, identified and disposed of, Whitehall has still faced one final challenge in realizing its ambition of transferring public land to the ultra-efficient, jobs-and-growth-generating, homes-producing private sector that it idealizes: making sure that, when land is sold, it is in fact sold to the private sector. After all, private-sector buyers are not the only possible acquirers. Community groups, voluntary organizations, charities and others might all, in principle, be interested in acquiring certain types of public land in certain locations. And what about other public-sector bodies? As I argued in Chapter 3, just because land is 'surplus' to one public body does not mean it is surplus to the public sector in its entirety. A parcel of land being sold by a government department – the NHS for example – might well pique the interest of a local authority. How, then, has the government handled this final challenge? Why, in practice, has public land disposal almost invariably meant the privatization of land?

The question has a particular significance in light of pre-1980s policy and practice on land disposal. Before the Thatcher administration took office, an important procedure known as Redundant Lands and Accommodation (RLA) was in place. The function of this procedure was precisely to expedite transfer of land from one public body to another, where the land in question was surplus to the former but of perceived use to the latter. With the partial exception of agricultural land (discussed below), land to be disposed of by a public body had to be offered to other public bodies before it was put on the open market. As the Labour politician Frank Dobson subsequently remarked, local authorities made special use of RLA. Once the availability of surplus land was advertised within the public sector, councils 'could then decide whether it was of any use for, for example, housing, or play areas – which might benefit the local community – before that land was offered to the parasites and vultures who hover over the registers of public land'.[1]

But the Thatcher government terminated the RLA. In fact, this was one of

the very first things it did in office, before even Right to Buy. In June 1979, a little over a month into the new administration, Michael Heseltine announced to Parliament that the RLA was being scrapped to make the process of land privatization ‘simpler and quicker’, so that ‘public authorities will be free to sell land on the open market immediately it becomes surplus, instead of first offering it for sale to other public sector bodies’.[1] Needless to say, there were objections; but they were given short shrift. When, three years later, Dobson asked why the RLA had been discarded, he was told that local authorities had quite enough land as it was. ‘They do not want any more land’, the government spokesman pronounced.[2] So that was that.

Henceforth, private-sector buyers were inherently privileged – and especially private-sector buyers that had previously owned the land in question, which is to say before that land had become a public asset. Understanding why this was so requires reference to the so-called Crichel Down affair of the 1940s and 1950s. This involved a parcel of agricultural land requisitioned by the state in the run-up to World War II, and ultimately sold back to the original owner – but only after many years of stalling and a political scandal that claimed the scalp of a government minister. After Crichel Down, the general policy was to give former owners or successors in title the right of first refusal in respect of surplus public land originally acquired by the state by or under threat of compulsion. But the policy only applied to agricultural land – until, that is, the Thatcher administration came to power. In 1981, the Crichel Down rules were extended to include non-agricultural land.[3]

Beyond the termination of the RLA and the extension of Crichel Down, there were other, more generalized ways in which the Thatcher government of the 1980s privileged private-sector buyers of surplus public land. Perhaps most importantly, it encouraged sellers of surplus, as John Montgomery noted in the mid 1980s, to ‘achieve the best disposal prices possible by selling to the highest bidder on the open market and according to market principles’. In other words, public bodies were instructed ‘to behave as any other private landowner or developer by maximising profits from sale’.[1] This was something that Doreen Massey had already observed in the late 1970s.[2] And of course other public bodies, voluntary organizations, charities and the like simply could not expect in general to be able to compete on price with private-sector buyers with much deeper pockets. They were squeezed out.

So, as Montgomery wrote, ‘local authorities who require land for rented housing, or perhaps for community care back-up facilities, are being denied access to land which is already in the public sector, unless they can outbid developers on the open market’.[3] There was little chance of that, especially given the contemporaneous cuts to local authority funding I have already discussed. Two public-sector sellers whose adherence to the new government guidelines had profound implications, according to Montgomery, were British Rail and the NHS. Attempting to dispose of land for maximum gain, the former showed a ‘reluctance to discuss alternative proposals with local councils and residents’. Meanwhile, having previously been allowed to offer surplus for sale to ‘priority buyers’ – ‘local authorities, voluntary groups and housing associations with some ancillary health function’ – health authorities from 1984 were prevented from doing so.[4]

In time, the government backtracked somewhat. While the RLA was never formally reintroduced, it resurfaced in new forms, and public bodies therefore once again secured, at least in theory, some degree of preferential access to surplus land being released by other parts of the public sector. First, the Property Advisers to the Civil Estate (PACE) – which was created in 1996 to provide light-touch oversight of the ‘departmental silo’ system of central government estate management then in operation – reintroduced a procedure for transfers within the public sector. Prior to disposing of any land or property, departments were expected to liaise with PACE to ensure the property was not required by another department. ‘When considering disposal options’, PACE advised, ‘priority should be given to re-use by another Government Department.’ This advice had a self-evident logic from the perspective of government economy – one I highlighted in Chapter 3. ‘Better value for the Exchequer’, PACE said, ‘is likely to result from estate rationalisation and re-use of existing stock within the Civil Estate, since this eliminates the costs associated with disposal and acquisition in the open market.’[1] We will get some sense of the scale of those costs – which in fact have not been eliminated – in Chapter 5.

Of course, this new procedure only applied to the civil estate. The other, arguably more important form in which the RLA resurfaced spread the net more widely. This arose in conjunction with the Register of Surplus Public Sector Land, launched in 2003 (Figure 4.1). Surplus land or property was to be entered onto the register for forty working days before it could be placed on the open market for sale. Although only government departments and their

agencies were obliged to register their surplus, a wider array of public bodies – the government has always been rather vague regarding exactly which ones – could use the forty-day window to bid for it.[2] Recently revised guidance on Crichel Down, furthermore, means that intra-state transfers of a public body's surplus land – where, in other words, it is decided that the land 'is not, in a wider sense, surplus to government requirements' – now take precedence. So, the transfer to another public body of land acquired by the state under threat of compulsion no longer constitutes a disposal for the purposes of the Crichel Down rules.[3]

In addition, in a development that must have struck the ageing Thatcher with horror, during the 2000s sellers of surplus public land were increasingly encouraged – by the Treasury, no less – to factor in non-monetary considerations. This did not mean that such considerations were intended to be given weight equal to that of the sale price. But, as the financial secretary to the Treasury, John Healey, said in 2007, before the terms of a disposal were concluded 'all aspects of a transaction or proposed transaction, financial or otherwise, should be first taken fully into account, comprising any potential auxiliary or tangential benefit, including possible social and community benefits'.[1] A later Treasury report explicitly identified affordable housing as one such benefit.[2] Potential social and community benefits were given especial priority in Scotland. The 2003 Land Reform (Scotland) Act gave community bodies representing rural communities with a population of less than 10,000 the opportunity to register a right of pre-emption (effectively a right of first refusal) over any land put up for sale not only by a public-sector body, but even by a private owner.

Across Britain, local authorities were given particular encouragement and dispensation to consider non-monetary factors when weighing disposal options. The Labour government recognised, in Healey's words, that 'there are circumstances in which a local authority may consider it appropriate to dispose of land at an undervalue'.[3] Hence, from 2003, in cases where disposal was deemed to contribute to 'the promotion or improvement of the economic, social or environmental well-being' of an area, local authorities were permitted to do just that. They could sell for 'less than best consideration'.[4] And from the other side of the table, under the coalition government that took office in 2010, community groups and members of the public were encouraged to challenge public bodies on their use of land – and,

in the event that the land in question was declared surplus, to bid for it. The Community Right to Reclaim Land, introduced in 2011, allows local groups to ask Whitehall to direct local authorities and certain other public bodies to dispose of any unused or underused land. Meanwhile, the Right to Contest, introduced in 2014, allows members of the public (but also businesses) to challenge public bodies to sell land or property if they believe it is surplus and could be put to 'better economic use'.[1]

Market value

The undeniable reality, however, is that these various initiatives to increase the chances of surplus public land being sold to non-commercial buyers have generally amounted, in the final reckoning, to hollow or just plain false promises. This has often been because the provisions put in place by Whitehall are simply ignored or flouted, including by Whitehall. The year 2000, for instance, saw a heated parliamentary debate about the disposal of surplus railway land (the railways had only recently been nationalized, and vestigial public assets were still being sold off). The Scottish Liberal Democrat Michael Moore accused the British Railways Board (BRB) of 'continuing to enter into open sales of all its remaining land assets', adding: 'No preferential terms are offered to local authorities or rail interest groups, nor are they given first refusal.' This contravened guidelines – and Nick Raynsford, for the government, offered a mea culpa of sorts in response. In the future, he conceded, BRB would need to up its game, and so would Whitehall. Raynsford pledged not to '[repeat] past mistakes by acting rashly and ordering BRB to sell off all land as quickly as possible'.[2]

But such 'mistakes' continued to be made in relation to other parts of the public estate, if not specifically railway land. In 2007, the head of the Town and Country Planning Association, Gideon Amos, observed that, in practice, the forty-day first-look window for public bodies to acquire surplus land was widely circumvented. 'Too often', he said, 'publicly owned sites have been confirmed as surplus to requirements but remain vacant until marketed for the highest price, preventing housing associations and local authorities obtaining the sites on behalf of local people.' His explanation for this outcome was a signal lack of transparency: the availability of land was not effectively advertised within the public sector as a whole. The window, in other words, was distinctively murky – or open to some, but closed to others. 'It is time for an end to land dealing between public bodies and government departments

behind closed doors', Amos implored.[1] A comparable charge was levelled by a 2009 report detailing the lack of community benefits from disposal of Ministry of Defence (MoD) land (see also Chapter 5). It, too, found that the potential for non-commercial buyers – especially local authorities – to secure land released by central government was impeded by opacity and division. The notion of an open land register facilitating seamless intra-state transfers of both information and land was simply miles from the reality. The report concluded: 'we need better mechanisms for ensuring cooperation between government departments, and between central and local government, when a site becomes available for development. Our research has found high levels of distrust and frustration owing to poor communication and the lack of a shared vision in many instances.'[2]

But the more fundamental reason why the chances of surplus public land being sold to non-commercial buyers have not in reality improved since the Thatcher era is that, at the same time as it has introduced guidelines that seemingly bolster those chances, Whitehall has introduced ways of rendering such guidelines essentially superfluous – as worthless as the pieces of paper they are written on. While giving – or at least appearing to give – with one hand, it has simultaneously taken away with the other.

One way it has done this is by stipulating that the sale of surplus land should be for specific purposes – purposes that are, or have been made to be, the sole preserve of the commercial private sector. Housing is the prime example. As we have seen, in recent years making land available for building new homes has been one of the government's key stated objectives in encouraging the release of public-sector surplus land. But, by definition, this effectively rules out anyone but private-sector acquirers, because the past three to four decades have seen a deliberate reduction of the power and wherewithal of local authorities to invest in new public housing (see Chapter 3). So it is all very well giving local authorities a forty-day window to eye surplus government landholdings earmarked for housing development before private-sector developers can swoop; but those authorities' hands are tied. It is just a tease. And the government makes no bones about it. It does not even bother to pretend the window is useful or relevant. Lauding the government's initial 100,000-home target for land disposal by government departments, then minister for housing and local government, Grant Shapps, said in 2012 that, in order to get homes built, the government was specifically 'look[ing] to the private sector'; sites were being released 'to the market'.[1] So much,

then, for public bodies' first look. Things had come a long, long way in half a century. Exactly fifty years earlier, the same issue – using public land to get homes built – was debated in Parliament. At the time, government departments were similarly urged to identify and release surplus land; Lord Bladen Wilmer Hawke called for 'a vigorous search through every Department in the Government to see whether it is necessary for these pieces of land to be held, and whether they serve any useful purpose'. But Hawke was not looking to the private sector to build. Any surplus uncovered 'should be made available *to the local authority* if required for residential purposes'.[2]

Not so today, when Whitehall has found further ways to foreclose – while simultaneously, disingenuously, vaunting – the possibility of surplus land being sold to other public bodies or to non-profit buyers. The most important mechanism by far, because it is the most generalized and most limiting, concerns sale price. Let us compare the guidelines on price that obtained under the pre-1980 RLA procedure with those that obtain today. A 1966 Treasury circular set out the former: it reminded government departments of the importance of 'realising the full value for the Exchequer' when releasing land from their ownership, but with one important exception – 'unless the land is transferred to another Department', when 'full value' did not have to be achieved.[3] Now fast-forward to today. What happens when government bodies place sites on the Surplus Land Register and the forty-day first-look window opens? 'If the sites can be used beneficially elsewhere in the public sector', the rules say, 'they may be transferred *at market value* and then be brought back into beneficial use.'[1]

In other words, where before 1980 public-sector sellers were obliged to seek market value unless sale was to another public body, today they must seek market value even if another public body is the buyer.[2] Does this limit the likelihood of public bodies being able to purchase land that is released from other parts of the public sector? Of course it does – especially, but not only, in times of public-sector austerity.[3] The report on disposals of MoD land, which showed that local authorities seldom manage to secure these surplus sites and that community benefits are seldom realized, puts it this way:

> benefits are unlikely to be realised under current conditions. At the heart of the problem is the way HM Treasury deals with surplus public land: government departments must obtain market value and are set targets for asset sales which help

> to balance their departmental budgets. So if the MOD fails to achieve the expected value for a piece of land, savings must be found elsewhere. This forces the MOD to equate public benefit with departmental benefit: the future use of the site takes second place to achieving the maximum receipt.[4]

Sale price, in short, must be maximized.

The one modest compromise of these rules concerns land being sold by local authorities. As we have seen, in the light of their duty to promote local economic, social and environmental 'well-being', local authorities are in principle allowed to sell land for 'less than best consideration' when the disposal explicitly discharges that duty. The maximum permitted quantum of 'undervalue' – the difference between market value and price paid – is currently £2 million.[1] Clearly, a £2 million discount to market price for a substantive chunk of prime real estate in London is not going to bring community-group acquisition into play. For small sites in relatively cheap locations, on the other hand, £2 million may represent a significant discount, and may therefore facilitate community or charity ownership. Then again, put yourself in the shoes of a council chief executive. If you were under the sort of suffocating budget pressures described in Chapter 3, and you had the opportunity to sell surplus land and hopefully reinvest the proceeds in underfunded services, would you sell the land beneath its market value? Even if you wanted to, you would need to get permission from Whitehall, and the reality is that such permission is rarely forthcoming. 'At the moment', Steve Norris wrote in March 2017, 'getting the government to agree to a sale of land at under market value is extremely difficult for any local authority.'[2] Or, as Stephen Hill had observed two years previously, 'the natural expectation that the Treasury expects councils to secure the largest cash receipt from the sale of land is deeply embedded in the culture of councils, the [real estate] profession and indeed the public at large'.[3] 'Well-being' has little chance of being considered in such an environment.

Generally, in any event, the imperative for public bodies disposing of land to secure market value (or, in the case of local authorities, close to it) makes it extraordinarily difficult for non-commercial buyers of all types to compete. No wonder, then, that across Britain many non-commercial bodies, including public-sector ones themselves, are starved of the land that – unlike the country's biggest housebuilders – they desperately need (see also Chapter 5). Waiting lists for local authority allotments, to take just one example, are

now typically ‘counted in years or even decades’.[1] The fact that – for all the reasons identified in this chapter – local authorities, like other public bodies, have for four decades been selling their land may be the main reason for their denuded estates, and hence their inability today to accommodate a medley of local non-profit land-use demands, such as that for allotments; but it must be understood that it is not the only reason. Another important explanation is local authorities’ increasingly constrained ability to buy land being sold by other public bodies. Local authorities wanting to buy such ‘surplus’ and use it for allotments – or for other non–financially remunerative uses, such as social housing, where there are similarly long waiting lists – are simply not in a position to outbid commercial buyers with vastly greater financial firepower. The latter always win – and the local and national land-use mosaic changes accordingly. This is partly why golf courses across the United Kingdom cover ten times more land today than local authority allotments.[2] If public-sector sellers of land need to secure market value, such outcomes are inevitable. Make no mistake: the fix is in.

Privileging the private sector

Believe it or not, it gets worse. Competing with commercial organizations on a financial playing-field levelled off by the requirement for sellers to realize market value would be hard enough for buyers such as local authorities, charities and the like. But today not even that grim scenario fully captures the difficulty of the predicament they face. In recent years, the government has made it even harder than this for non-commercial actors to compete in the surplus-land market, and it has done so by subsidizing buyers from the private sector. That is, it has given additional assistance to actors already advantaged by the very privileging of financial considerations – offering a helping hand to those who least need it.

Some of these financial subsidies are indirect. For at least the past fifteen years, for example, Whitehall has strongly encouraged public bodies holding surplus land to acquire planning permission for the development of that land in advance of disposing of it.[1] The message is clear: do not burden commercial property developers with the hassle, cost and risk – the risk of permission being declined – of having to apply for planning permission after buying the land. Under the ongoing two-phase programme, begun in 2011, of selling central government land specifically for housing development, encouragement has effectively become obligation: departments cannot claim

land as sold for housing for the purposes of the programme unless the site has 'planning certainty'.[2] Furthermore, by refusing to impose any meaningful requirements (including, remarkably, a requirement actually to build homes) on developers buying land as part of the programme, the government has bent over backwards to make things as comfortable as possible for those buyers. The DCLG told the 2015 Public Accounts Committee enquiry: 'We were really worried about putting a burden on developers'.[3] Of course, not imposing requirements is the other side to the coin to actively providing subsidies. The Committee was suitably dismissive. Given the refusal to ask anything of developers, the disposal programme to date had amounted, committee chair Meg Hillier said, to 'wishful thinking dressed up as public policy … [The Government] appears simply to have hoped huge numbers of houses would spring up across the country.'[4]

Meanwhile, other financial subsidies have been much more direct. In 2009, the government launched the so-called Public Land Initiative (PLI), which was a precursor to the subsequent, wider land-for-housebuilding disposal programme. Subsidy was integral to it. Private-sector housebuilders, the government explained, 'base their scheme appraisals on their exposure to risk'. The whole point of the PLI was to 'intervene to mitigate' such risk, serving up 'de-risked sites'. It would do so in two linked ways: the government, not the developer, would absorb 'the upfront costs and risks involved in site purchase and preparation'; and the developer would be allowed to defer payment for the site to 'some point in the future', effectively acquiring the land in the first instance 'at nil value'.[1] The nominally all-important market-value disposal criterion was in this context nowhere to be seen. In 2011, the PLI was superseded by a new but similar mechanism, tied in with the simultaneous land-for-100,000-homes pledge: Build Now, Pay Later. This mechanism effectively does what it says on the tin: it allows developers to buy land to build homes, but to pay for it later. It explicitly subsidizes them. Two payment-deferral models are available. Under the first, 'Risk Sharing', the amount paid for the land is tied to the developer's eventual receipts, which are split with the seller in pre-negotiated shares. Under the second, 'Phased Payments', the land price is fixed, but payment is spread across a number of phases with specified dates or triggers for when payments will be made – such as numbers of completed housing sales.[2]

An especially notable example of subsidization of private-sector

developers in the public-land market can be found at Woodberry Down, one of the London council estates presently being ‘regenerated’ according to the Andrew Adonis and Richard Rogers ‘city villages’ blueprint described in the previous chapter. Located in the North London borough of Hackney, the estate, measuring 33.5 hectares, constructed in the 1940s and 1950s, and originally comprising just shy of 2,000 properties, is being ‘densified’ to accommodate over 4,600 new homes – some affordable rented, some for private purchase – in a programme that began in 2009 and which is expected to last twenty years. As a report by the Expert Advisory Panel established by the government to advise on ‘surplus’ public-land disposal, and led by Berkeley Group chairman Tony Pidgley, acknowledged, ‘The local community at Woodberry Down were generally opposed to the regeneration.’ They were also ‘very suspicious and sceptical’ of the development partners selected by the council. One of these partners was the housing association, Genesis. The other? None other than the ubiquitous Berkeley Group itself. The Panel report contains crucial information about the fate of the ‘surplus’ – albeit inhabited – land on which the estate sits. Upon completion of the regeneration programme, ‘all public open space and highways’ will remain the property of the council. The council meanwhile will lease all land occupied by affordable rental properties to Genesis, which will own and manage those properties. This just leaves the land occupied by private residences. This will become Berkeley’s property. The cost to Berkeley? Zero. To justify this extraordinary subsidy and the de-risking it effected, the panel referenced the ‘very challenging economic climate’ in which negotiations were conducted, with ‘the credit crunch impacting on the global economy from 2007’.[1]

Thus, the stark, even shameful, reality is that the government’s ‘buy our surplus land’ overtures to local authorities – and especially to community groups, charities and voluntary organizations – are little more than a sick joke. The Community Right to Reclaim Land? Deep cynicism seems like the only reasonable response. The ‘right’ does not even provide a right of first refusal for community groups. A 2007 review of derisory historic progress in transferring surplus public land to community groups led by Lewisham councillor Barry Quirk had considered, but rejected, the idea of such a right.[2] So where the Community Right to Reclaim Land is invoked and Whitehall directs the owner of the land in question to dispose of it, the land ‘is usually (but not automatically) sold on the open market’.[3] The very name of this

‘right’ is, ultimately, a complete misnomer – a cruel trick. It is essentially just a right to ask Whitehall to investigate whether a particular public body really needs a particular piece of land – as if Whitehall has ever needed to be asked. The right only provides community groups with the supposed right to ‘reclaim’ such land *if* they can outbid developers who, as we have seen, are often in receipt of state subsidy. Some right. As the 2007 Quirk review had earlier highlighted, ‘community groups and social enterprises are seriously under-capitalised’. The review had therefore concluded that ‘strengthening the hand’ of these groups in the public-land bidding context would be essential if they were going to enjoy any meaningful success.[1] But it has never happened.

It is therefore entirely unsurprising that a 2015 inquiry by the Communities and Local Government Committee found that the Community Right to Reclaim Land had ‘hardly been used’. Why would it be? Locality, the national non-profit support group for community-led organisations, was merely stating the blindingly obvious when it told the committee that the right might be helpfully adapted to provide community groups with a ‘right to demand discounted asset transfer’ – perhaps of the type seemingly available to the Berkeleys of the world.[2] For as things stand, community-led acquisition is essentially ruled out. The recent failure of the London Borough of Hammersmith and Fulham’s ambitious plan to transfer its housing stock and housing land into ‘community gateway’ ownership is just the latest in a long line of failed attempts to capitalize on the elusive promise of alternative landownership. Taking control of what had been a Conservative authority in 2014, Labour had promised to ‘work with council tenants to give them ownership of the land their homes are on’; but the plan withered on the vine of fiscal recalcitrance, ‘the government making clear there is no funding to support it and “all other options” for financing it falling short of what is required’.[3] It was the same old story. Public land disposal in contemporary Britain, to all intents and purposes, *is* land privatization. All protestations and slogans to the contrary are utterly empty.

The only arguable exception to this rule is Scotland – where, as we have seen, community groups in rural areas have enjoyed a right of first refusal (‘pre-emption’) since 2003. Community ownership of land and property is widely considered a Scottish success story, having grown markedly since the 1970s. By 2012, an estimated 76,000 property assets – mainly housing units, village halls, community facilities and farm estates – were owned by over

2,700 community-controlled organizations. Collectively, these assets covered some 187,000 hectares.[1] Government funding, so conspicuous by its absence in England and Wales, has been relatively substantial. An estimated £27.5 million of public funds were invested in local community land purchases in Scotland between 1997 and 2013.[2]

Yet, on close inspection, it is clear that this success story has not been primarily, or even materially, a story of community acquisition of public land. The community right of pre-emption has been used barely more often than the Community Right to Reclaim Land, supporting just eighteen purchases of private or public land, amounting between them by 2013 to just over 21,000 hectares (19,812 hectares of which were accounted for by a single transaction with a private owner).[3] More generally, the vast bulk of the growth in community landownership in Scotland has resulted from buyouts from private estates, principally in the north and west Highlands and Islands, since the 1980s. Only around 6 per cent of the total land area acquired by Scottish community bodies has come from the public sector.[4] The extension of the community right of first refusal to urban areas under the terms of the 2015 Community Empowerment (Scotland) Act generated considerable optimism, but the initial signs are not encouraging. When NHS Lothian recently sold the Royal Hospital for Sick Children in Edinburgh in what 'was considered by many as an "acid test" for the new urban right-to-buy laws', the outcome was predictably familiar. The site was sold to a property developer, Downing; the bid by the community group that was attempting to buy the land under the new legislation was not even considered.[5] In short, public land disposal in Scotland, as elsewhere in Britain, has typically taken the form of land privatization. Scottish community organizations may in principle have more power to acquire public land than their English and Welsh counterparts, but in practice this power has been scarcely more effective.

The politics of land privatization

Finally, it is not only the case that community groups – especially, though not exclusively, in England and Wales – have never in practice enjoyed the genuine power to purchase surplus public land that they are said to possess. Neither have they, or the general public, enjoyed a significant say over whether public land should be sold, nor to whom. This is true both in terms of

public land disposal/privatization as a general government strategy and in terms of the sale/privatization of specific local sites. I have of course focused in this chapter on the challenges that Whitehall has faced, and generally overcome, in inducing public-sector bodies to privatize their landholdings. But is getting the general public – at once the ultimate owner of public land and the polity on whose putative behalf it is owned and managed – to agree to this process not also a significant challenge? Have successive governments, and individual public bodies themselves persuaded to reduce their landholdings, not been required to secure sign-off on disposal from the British population? I will conclude this chapter by considering this question.

In terms of public land disposal/privatization as a general government strategy, the question – Can we privatize your land? – has never been put to the British electorate during the neoliberal era. There has never been a referendum or anything of the sort – perhaps thankfully. Furthermore, the process of land privatization, as I have shown in this chapter, has for the most part been effected without the need for new legislation; and in any case legislation only ever requires parliamentary, not popular, assent. Britain's rulers, in short, have not asked for consent: other than Margaret Thatcher's 1979 pre-election pledge to sell council houses, one searches the election manifestos of the three major political parties of the past four decades (outside Scotland) in vain for any significant mention of policy concerning public landownership. (The Greens – promising, for instance, in 2015 to transfer public land into community land trusts – are another matter.)[1] Land privatization has been a project carried out, at the national policy level, essentially without public consultation. And one can only assume that no government or aspiring government has asked, explicitly or implicitly, for permission to sell off the landed component of the family silver because none has felt the need to do so. In other words, there has been no perceived challenge, in the court of national public opinion, to the pursuit of this policy; thus the challenge, nominal as it is, can simply be ignored.[2]

Meanwhile, at the local level, the challenge of securing community agreement to the disposal of particular parcels of public land has also effectively been circumvented, ensuring that the public again has had no meaningful say. There are, to be sure, mechanisms for public opinion sometimes to be expressed. In particular, under the terms of the 1980 Local Government Planning and Land Act, local authorities have ever since been required to publish notice of their intent to dispose of most types of land in

the local press for at least two weeks, and are required to consider any objections before making final decisions. But for at least five reasons, the public has ultimately had as little influence at the local level as at the national level. Two of these reasons can be dealt with very briefly. One is that local authorities alone are required to publish notice of intent to dispose; other public bodies are not (as if their land is not also 'local'). The other is that, while councils are required to consider objections to disposal plans, they are not required to bow to them. They can forge ahead with disposal regardless, albeit with potential repercussions at subsequent local elections.

The third, fourth and fifth reasons are a little more complex. One relates to the fact that notice of intent to dispose is not required for all types of local authority land – and one exception is among the types of land that has been most comprehensively privatized: school land, including school playing-fields (see Chapter 5). Planned disposal of such land does not need to be publicly advertised. Local authorities seek permission directly from the secretary of state for education.[1] And they almost always get it. Between May 2010 and June 2017, for instance, nearly 200 applications for the disposal of school playing-fields were submitted, of which just six were rejected. Two of these six were subsequently resubmitted and approved.[2]

Fourth, confining the disclosure of local-authority disposal plans to the local press, and limiting it to two weeks only, clearly limits both the number of people who will learn of the plans – fewer than 10 per cent of Britons are estimated to read local newspapers – and, as a result, the likelihood of a substantive challenge to the plans developing in time.[3] As campaigners at Our Ground, a group focused on saving public green space 'in Liverpool and beyond', have written:

> It is incredible that public notices are not required to be placed in or by the actual public open spaces to be privatised. If regular users of these spaces were informed of proposed disposals they would be able to act on the potential loss of their right to use public land. By the time the public is aware that public open space is to be commercially developed it is often too late to effectively object as lawful planning permission has already been consented.[4]

The fifth and final reason why community groups and other local citizens have been no better positioned to intervene in the privatization of surplus public land than they have been to buy that land themselves is that, in the rare circumstances where they are given a somewhat formal say in proceedings,

they are typically presented with unpalatable or even impossible choices. A glaring example concerns recent events in Eastbourne. In 2015, the local council proposed selling 3,000 acres of working farms on down-land adjacent to Beachy Head (famous both as a suicide spot and as the location where Friedrich Engels's ashes were scattered). It said that most of the sale proceeds would be retained by the council and invested in 'supporting job creation, town centre improvements, housing and other key Council projects, and income generating new assets'.[1] However, significant opposition to these plans surfaced throughout 2016. Opponents expressed concern about the possibility of future 'inappropriate' development of the land, about the possible curtailment of bridleway and footpath public access through the farms, and about the possibility of existing farmers' tenancy rights being threatened.

So the council opted to give local residents a voice. In the February 2017 edition of its free newspaper, the *Eastbourne Review*, the council ran a ballot, presenting residents with two options and asking them to make a choice. Option one was to sell the down-land farms. Option two was to suffer a 'selection of service cuts to raise sufficient revenue to be able to borrow the required capital for investment' – the proposed cuts including a halving of the community grants programme, a 25 per cent cut in street cleansing, and the introduction of a £50 annual charge for green waste collection.[2] In the event, 'cuts' won the day. Only 25 per cent of valid opinion slips voted for the sale of the land. And the council listened: the proposed sale was cancelled.[3]

What to make of this process and outcome? Was the outcome a 'good' one? Several points are relevant to my overall argument. One is that, for all the appearance of democratic process, there was actually something deeply undemocratic about what happened. In introducing the ballot, the council had written in the *Review*: 'with a significant level of response, we can legitimately commit to being guided by your views in making our decisions on the preferred way forward'.[4] But the response was pitiful – 4,373 votes out of a total electorate of 73,823, of which only 3,490 (under 5 per cent of the electorate) were valid – and the council nevertheless allowed itself to be guided by this response.[5] There is, of course, a related distributive question: Which types of people voted, and who did not – and were perhaps unable to? After the council shelved the disposal plan, relieved campaigners crowed that the decision was a good one for 'the people of Eastbourne'. But which

people, in particular? Perhaps not those relying on community grants, or for whom £50 for waste collection is a significant sum, or who did not much care about rights of public access through the farms. There is rarely an unambiguous ‘good’ or ‘bad’ decision in relation to public land disposal, or the alternatives to it – different people are affected in different ways. And this brings us to the last and most important point. The ‘alternatives’ proffered by the council were, of course, externally shaped, if not externally defined. The council arguably felt compelled to give residents what many considered an unfair choice only because, in these years of austerity following the financial crisis, it has increasingly found itself in an unfair situation – faced, as it explained in the *Review*, with consistent declines in revenue grant funding from central government.[1] One should not ignore these pressures. Recognizing their effects returns us to where this chapter began: Whitehall, the principal source and driving force of Britain’s neoliberal land-privatization programme.

CHAPTER 5

False Promises: Land Privatization Outcomes

Chapters 3 and 4, respectively, explored why and how successive British governments have sought since the end of the 1970s to privatize public land. Now I turn to the critical question of the consequences. What, to the extent that we are able to discern them, have been the outcomes of the attempted implementation of Whitehall's logic of land privatization?

This chapter approaches the question in four stages. In the first section I provide an overview of the disappearance of public land to date: What lands have been sold, by whom, and when? Producing this overview was no easy task, and the results are frustratingly patchy. As I have already mentioned, the record-keeping of public bodies – including Whitehall's – in relation to land sales has, for nearly all of the period under consideration, been lamentable; and even where records were kept, the information contained in them has not always been made publicly available. Therefore it is not possible – and it never will be – to construct anything like a comprehensive, granular picture of the historical, geographical and institutional details of the progress of such privatization. But drawing on and triangulating across a diverse range of sources, it is possible to identify the main lineaments of the programme, and that is what I attempt to describe.

The second section considers what kind of public estate the privatization programme has left the British public sector with as we approach the end of the 2010s, four decades on from Margaret Thatcher's accession to power.

How different is the public estate today from the one inherited by Thatcher, which I sketched in broad outline in the concluding section of Chapter 2? Are the public bodies that were the major landholders then still the major landholders today? Have some parts of the estate been 'rationalized' – to use the privatizers' preferred term – more extensively than others? And how much smaller is the overall public estate today than it was when the neoliberal era in Britain began? Again, the picture is somewhat less clear than one would ideally like, but its broad contours are more or less perceivable.

The third section is the first of two that consider the outcomes of the privatization project in more than just immediate public-landownership terms. Recalling the government's promises of efficiency gains, job generation and housebuilding that I analysed in Chapter 3, I ask: Has the disposal of public land to the private sector lived up to the grandiose billing it was given? Have efficiencies improved, jobs been created, and houses been built? How, in short, do the outcomes of the programme stack up specifically against the logic invoked to legitimize it in the first place? Here, my verdict is damning. Very few of the proposed fruits of privatization have materialized, and those that have have done so more by luck than by design. In a sense, this negative result was inevitable. Enact a project with a flawed logic, and it is unlikely to go well. But it is revealing and salutary, nonetheless, to see quite how big the gap is between the rationale for land privatization and the reality it has spawned.

The fourth and final section of the chapter looks at the other side of the same coin. To the extent that land privatization has generated outcomes different from those promised, what have they been? As far as can be discovered, who has the land been sold to? And what, in terms of practical reality rather than abstract Whitehall theory, have they actually done with it? What have been the social and economic consequences of changes in the land's ownership and use? And have they been broadly 'good' or 'bad'? I am not giving too much away by saying that they have tended strongly towards the latter. I point to three main sets of consequences, and all three are demonstrably deleterious for Britain's economy and the majority of its population. The first is increased land banking by the property sector; the second is a shift in Britain's economy towards a 'rentier' model; and the third is widespread social dislocation.

Dismantling the Public Estate

A considerable amount of public land has disappeared as a function of Britain's 'other' notable privatizations of the neoliberal period – namely, the sale to the private sector of state-owned going concerns. In terms of the amounts of land transferred as a component of such privatizations, the three most important were, in order of magnitude, the water authorities, the National Coal Board and British Rail. As many as 170,000 hectares of land were privatized along with the English and Welsh regional water-supply operators;[1] over 100,000 hectares accompanied the National Coal Board into private ownership; and approximately 70,000 hectares of land underpinned the national rail network prior to privatization.[2] (The post-privatization history of British railway land is anomalous, and I will return to it presently.) The landholdings of a fourth privatized sector often lumped in with these three – electric power transmission – were considerably smaller, in the region of 20,000 hectares.[3] Combined, these four sectors represent 360,000 hectares, or just shy of 900,000 acres. Allowing for a modest increment for the landholdings of the other privatized enterprises such as Royal Mail, these bottom-up figures therefore square with top-down ones previously provided elsewhere. In 1979, for example, the Labour Research Department estimated that the nationalized industries owned approximately 2 per cent of British land, or just over 1 million acres.[4] Then there is the estimate later provided by Kevin Cahill, who in 2001 raged that, between 1985 and 1997, 'up to one million acres, some of it immensely valuable development land, was transferred, often without a proper evaluation, often without any disclosure as to its scale, through the medium of [enterprise] privatisation'.[1]

While most of the land privatized along with these enterprises has remained privately owned, railway land has followed a different trajectory. When Britain's railway system was privatized in the 1990s, infrastructure – including land – on the one hand and passenger and freight services on the other were separated, with the Railtrack group of private companies taking ownership of the former. But Railtrack was a disaster, not least financially, and in 2002 most of its assets were transferred to a new entity, Network Rail. Between 2002 and 2014, it was somewhat unclear what type of body Network Rail was, and, accordingly, whether its land remained privately owned or not; as Gwyn Topham has written, Network Rail was 'nominally in

the private sector'.[2] But not since then. In September 2014, Network Rail formally became a public-sector organization, answerable to Parliament. Its land – approximately 40,000 hectares of which remain, with some 30,000 hectares having been sold off since rail privatization – is therefore once again public land.

Enterprise privatizations, in any event, are not our focus in this book, even if the privately owned lands they bequeathed are relevant to our story insofar as, since disposal, they have been subject – no less than all other public land sold off by the state – to the rationales of private-sector ownership (see Chapter 1). Our main interest, rather, is in the privatization of land *as land.* By my calculations, this has been a much more substantial land-privatisation programme. I estimate that, since the end of the 1970s, separately to the land that was held by the nationalized industries, in the region of 1.6 million hectares of land – or about 8 per cent of the entire British land mass – have been transferred from public to private ownership.[3] If we add the two mechanisms of transfer together (land sold as land, and land sold as part of other privatizations and then remaining privately owned, the latter of which I estimate at around 350,000 hectares), we get a total land privatization of approximately 2 million hectares, or around 10 per cent of Britain.

What is the financial value of this historic privatization, of the public land that has disappeared? It is impossible to say. All this land is now in dispersed private ownership, its disaggregated value known to, or credibly estimated by, only its myriad individual owners. Even if the state, in its multiple institutional forms, had kept records, including selling-price details, of its land disposals – which it generally has not – it would be a lifetime's work to collate all the relevant data and then calculate the total value of all receipts from such land sales. For there have certainly been tens of thousands, and probably hundreds of thousands, of individual land-privatization transactions since the beginning of the 1980s. Land has typically not been sold in consolidated chunks, but disposed of piecemeal. Let us consider a few illustrative examples of this bitty process. In just the three years to mid 1998, the Ministry of Defence sold over 900 separate sites – and it had been selling sites consistently for fifteen years before that.[1] Meanwhile, the first phase of the government's ongoing public land-for-housing programme (2011–15) saw central government departments relinquish nearly 950 sites.[2] And then

there are the hundreds of individual local authorities, whose collective estate, as we will see, has been shredded. Indeed, there have been well over 10,000 separate sales *just of local authority school playing-fields.*

Still, we can give an indication of the scale of the privatized land value we are talking about, and it is truly eye-watering. The most recent Treasury estimate for the value of the remaining public estate – 'land', 'buildings' and 'dwellings' combined – is £405 billion.[3] If my estimate of approximately 2 million hectares of public land having been sold through all mechanisms since the early 1980s is broadly correct, then approximately half of the public estate in existence at that time, which spanned about 4.2 million hectares (including land owned by the nationalized industries), has disappeared. If the half that is left is worth around £400 billion, what of the half that has been privatized? There is no a priori reason to believe that, on average, the estate that has been jettisoned is less valuable than the estate that has stayed in public hands. In fact, there are at least three reasons to believe the opposite. First, there is the question of relative saleability, as in the case of public housing (but not only in that case), where the choicest stock has been cherry-picked – and the privatization of which alone has generated far north of £40 billion. Second, there is the question of which segments of the public estate have been most extensively appropriated. As we will see, the local authority estate has suffered the severest proportionate reductions, and it is here that much of the most valuable public land sold by the state, in particular housing land, was originally concentrated – a point I return to below. Indeed, as I will also discuss, government figures suggest that disposals solely from the local government estate, solely in England, and solely during the decade beginning in 2004, were themselves worth over £70 billion. Third, and equally important, it is vital to recall from Chapter 4 that much of the non-residential public land that has been sold to developers has had planning permission for residential development in place, and thus is – and, at the time of privatization, was – significantly more valuable than the non-residential land (largely without planning permission) remaining under public ownership today. In short, it is not remotely far-fetched to assume that the value of the British public land and property privatized during the neoliberal era is of a magnitude similar to, or greater than, the value of the public estate Britain is left with today – that is, around £400 billion.[1] Whatever its exact value, the value of all of Britain's other, better-known, more vigorously-contested privatizations – certainly individually, and perhaps even collectively –

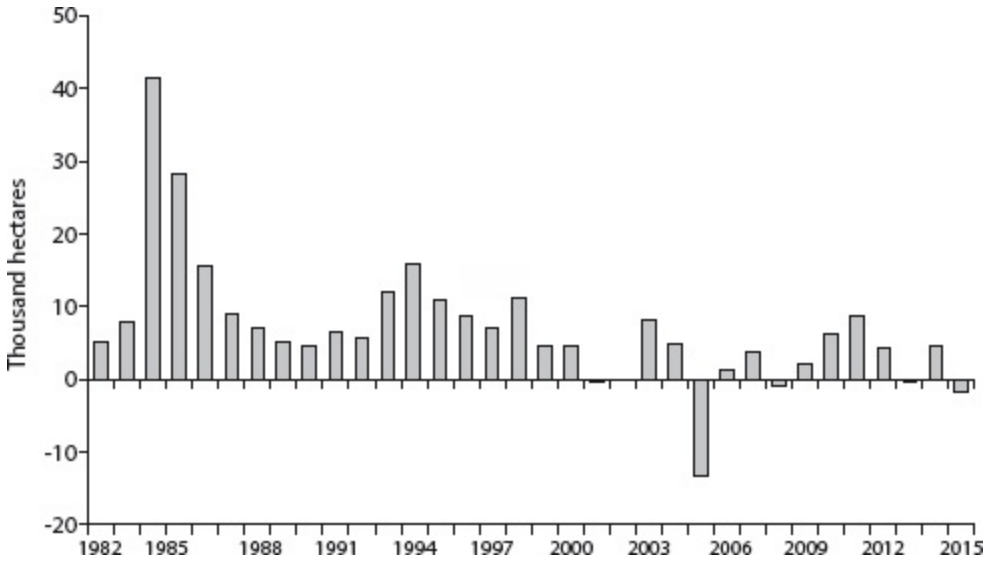
represents mere pocket money by comparison.

It is important to note that there has been significant geographical variation in the extent of this land privatization. Sales have been much more extensive in England and Wales than in Scotland, where strong and enduring public support for progressive land reform, bolstered since 1999 by the establishment of a generally sympathetic Scottish Parliament, has served over the past four decades to repel somewhat the pressures for public land disposal emanating from Whitehall. As a result, only around 20 per cent (*c*. 200,000 hectares) of the public land that existed in Scotland at the end of the 1970s has been sold.[1] While 20 per cent may sound like a lot, it is small beer in comparison with the proportion of English and Welsh public land existing at the end of the 1970s that has been privatized – around 60 per cent if land that was held by the nationalized industries is included, or around 50 per cent if it is not. I now consider sales out of the central and local government estates – across the whole of Britain – respectively, leaving the nationalized industries to one side.

Central government

Around 625,000 hectares of central government land across England, Scotland and Wales have been disposed of. Some of this land has come from what were, and remain, far-and-away the two largest chunks of the central government estate – holdings belonging to the Forestry Commission and the Ministry of Defence. The former body has disposed of 235,000 hectares across Britain since its estate peaked in size, at 1.26 million hectares, at the beginning of the 1980s. As Figure 5.1 shows, the disposals were concentrated in the 1980s and 1990s, and were especially heavy in the middle of the former decade. As I noted in Chapter 4, the 1981 Forestry Act removed restrictions on disposals from the publicly owned forest estate, thus enabling the subsequent disposal binge. But when it came to power in 1997, Tony Blair's Labour administration limited the conditions triggering sale of Forestry Commission land, and also increased the Commission's budget, in order to reduce the budgetary pressure for disposal.[1] Annual sales volumes have since, on average, been lower.

Figure 5.1 Net annual sales of Forestry Commission land, 1982-2015



Source: Forestry Commission

Meanwhile, about 50,000 hectares have thus far been trimmed from the defence estate, representing just short of 20 per cent of the land that the estate had contained at the end of the 1970s. Roughly equal proportions have been cut from the two main components of the estate – training land, which accounts for about 60 per cent of defence land, and the built estate. More information is available on the scaling down of the latter. Between 1980 and 1998, the size of the built estate was reduced by 18 per cent, yielding vast sales proceeds – some £1.7 billion, for instance, was raised solely from the 1996 sale to Annington Homes of the bulk of the Service Family Accommodation in England and Wales (a sale briefly mentioned in Chapters 3 and 4, and discussed further below).[2] But, as with the forest estate, Labour's assumption of power in the late 1990s stemmed the disposals tide somewhat. In 1997, the year that Labour took power, 16 per cent of the remaining built estate was already in the pipeline for disposal; in the event, however, much of this nominally 'surplus' land and property was not sold – the next decade (1998–2008) seeing the sale of only 4.3 per cent of the built estate as at 1997.[1] Nevertheless, what land and property was sold was, as in the case of council housing, generally the most valuable. Sales receipts during this period topped £200 million every year, peaking in 2007–08 when the sale of Chelsea Barracks in central London generated nearly £1 billion by itself. Overall, shrinkage of the built defence estate between 1998 and 2008 delivered sale proceeds of £3.4 billion.[2]

In both absolute and – especially – relative terms, however, more land (around 340,000 hectares) has been chopped from other, less capacious parts of the central government estate. Whereas the forest and defence estates have both been reduced in size by around 'only' 20 per cent, approximately 60 per cent of other central government landholdings, cumulatively, have been disposed of. The timing of this process of reduction has broadly mirrored the timing of the shrinkage of the defence and forest estates. Cuts were aggressive and sweeping in the 1980s and the first half of the 1990s. They then generally slowed, but certainly did not halt, when Labour returned to power in 1997. And in England, in particular, the pace of disposal subsequently quickened once again when the Tories reassumed control of government – initially in a coalition with the Liberal Democrats – in 2010, emboldened this time by the post–financial crisis logic of austerity and the small state, and the concomitant 'need' to sell public assets in order to reduce the public deficit (see Chapter 3). Thus, in just the four short years between 2012 and 2016, in a process driven by the Government Property Unit, the civil estate was shrunk by around a quarter, yielding £2.5 billion in sales proceeds.[3]

Perhaps more than any other component of the public estate, the experience of the health estate over the past four decades has been indicative of this far-reaching, extended purge of central government land. It was among the first to be trapped in the privatization headlights, when it became the subject of the hugely influential 1983 Davies report on 'surplus and underused' public property (see Chapter 4). By 1987, Thatcher-era disposals of NHS land and property had already raised over £370 million.[1] Its experience is instructive, too, in demonstrating that, while the 1997–2010 era of Labour government that was sandwiched between periods of Tory rule might have slowed the overall progress of central government land disposal, it did not bring it to a halt. In fact, where the health estate was concerned, the scale of disposals perhaps even increased under Labour. In 1990, with the creation of NHS trusts by the National Health Service and Community Care Act, land and property for which no long-term NHS requirement was identified had been held back by the Department of Health rather than being transferred to quasi-independent trust ownership. The vast bulk of this 'retained estate' has since been sold. And much of this disposal occurred under Labour's stewardship: over £2 billion was generated by sales of retained departmental land and property between the mid 1990s and early

2011, by which time David Cameron had only been in office a matter of months.[2]

Since neoliberal-era sales of British public forest and defence lands have, in the wider scheme of things, been relatively light, and since those two portfolios are themselves so large, the proportion of the overall central government estate that has disappeared into private ownership since the beginning of the 1980s is, on the face of it, not very striking: 625,000 hectares represents about 30 per cent of the total land that was owned by central government when Thatcher came to power.

Local government

By contrast, the top-line figures for reduction of the local government estate really are striking. Considerably more local government land – approximately 1 million hectares – has been sold, out of what was, at the beginning of the 1980s, a smaller local government than central government estate. The upshot is that the proportion of local government land that has been sold in the past four decades – an estimated 60 per cent – is double the estimated equivalent proportion for central government.

Council housing and associated housing land represents, of course, the best-known part of this story, its disposal acting as the metaphorical nail in the coffin of municipal England – as well as Scotland and Wales – whose 'strange death' has recently been chronicled by Tom Crewe.[1] The number of British dwellings owned by and rented from local authorities peaked at 6.6 million in 1979. Precipitated by the Right to Buy initiative introduced the following year (see Chapter 4), this number has been declining ever since. By 2015 it had fallen to just over 2 million.[2] The sale of council housing is thus not only well known but also, in quantitative terms, broadly representative: 4.6 million dwellings sold over a thirty-five-year period equates to around 70 per cent of the original public housing stock, compared with the figure of around 60 per cent that I estimate for shrinkage of local government land and property as a whole. As James Meek observes, the proceeds from the sale of council housing have been gigantic – some £40 billion in the first twenty-five years of Right to Buy, since when close to another million dwellings have been sold.[3]

But, clearly, the decimation of the local government estate has not been only about council housing. All types of local authority property assets

considered ‘expendable’ have been targeted: leisure centres, museums, theatres, playgrounds, parks, town halls, bowling greens, allotments, day-care centres and more. Let us consider, for illustrative purposes, two further examples, the first of which has received barely any public or mainstream-media attention, while the second has been commented on much more. The first concerns various types of rural land held historically by local authorities for the purposes of enabling local residents to earn a living off the land, of which the two most important were the county council farming estate and the land settlements. The farming estate has suffered an extended decline, beginning as early as the mid 1960s but accelerating from the 1980s, and given a renewed impetus in more recent times by post–financial crisis austerity budgeting, with local authorities in Somerset, North Yorkshire and Herefordshire among those to sell farms in the past decade. Since 1964, the estate across England and Wales has been halved in size.[1] The ‘rationalization’ of the English land settlements was more abrupt and complete: the settlements were dissolved and privatized in 1981.

My second example, which has attracted considerably more attention, is the sale of local authority-owned school playing-fields. This, like so many other components of the wider neoliberal land-privatization programme, began almost as soon as Thatcher’s Conservatives took power. It was championed by property developers and facilitated by the 1981 School Premises Regulations, which established a minimum threshold for the size of playing-fields in relation to the number of children at a school, and which thus enabled any land area above that threshold to be declared ‘surplus’. Some 10,000 playing-fields were reportedly sold off by the 1979–97 Tory administrations.[2] At the height of this disposal frenzy, up to 1,000 acres of playing-fields were being sold *each month*.[3] Again, as with many other elements of the wider privatization programme, sales slowed under Labour. Between 1997 and 2010, playing-field sales numbers slumped to what was reported as ‘more than 20 a year’.[4]

Notably, the sale of school playing-fields is the one and only vector of modern British land privatization to have consistently drawn criticism from the political Right – or parts of it, at least – as well as the Left. School sport has long been a key middle-class concern in Britain – the epitome of wholesome, character-forming, team-building activity, whether it is ‘rugger’ for the boys or hockey for the girls. Even the *Telegraph*, that longstanding

bastion of privatization wisdom, has attacked playing-field sales, worrying that the legacy of this development is ‘a generation of children prone to obesity and diabetes’.[1] Involvement in the all-important 1981 regulations even earned one member of Parliament, the Tory Rhodes Boyson, the dubious honour of position number ten on the 2009 list of *50 People who Buggered up Britain* compiled by the sometime-*Telegraph* journalist Quentin Letts. Letts’s concerns were quintessentially English middle-class ones. ‘Nothing calms an over-exuberant boy’, Letts averred, seemingly unconcerned by the implications of disappearing playing-fields for schoolgirls, ‘quite like an afternoon on the football, rugby or cricket pitch.’ Nearly three decades on from the beginning of playing-field sales, Letts observed, ‘we have seen a vast increase in teenage fatness and fecklessness. The two are related’.[2]

While the sale of local government land and property has been a consistent – if temporally uneven – feature of the neoliberal period in Britain, we know a good deal more about the scale of this disposal programme over the past decade or so than we do for the first twenty-five years. As I have emphasized repeatedly, local government is a fundamentally fragmented phenomenon, encompassing hundreds of independent (if not autonomous) actors. Only in the early 2000s did Whitehall begin to collate data on local authority land sales centrally. Before then, all information on these sales, to the extent that any such information was recorded and saved in the first place, essentially remained sequestered at the local level.

Nevertheless, the data for the period since 2004 are revealing and significant, since sales have been vast. The Audit Commission reported that, between 2004–05 and 2012–13, the value of the local government estate in England fell by more than 30 per cent in real terms, from an inflation-adjusted £244.5 billion to £169.8 billion. And this was not due to a fall in land and property prices; as the Commission noted, commercial and domestic land and property values, despite a decline (dramatic in the case of commercial values) in 2009–10, had recovered to their 2004–05 level by 2012–13.[1] In other words, the value of the local government estate fell because, in short, the estate had shrunk – by around 30 per cent, if we assume no net change in weighted average prices. And since 2012, it has continued to shrink rapidly, with the gutting of what remains of the estate led by zealous local authorities such as Gloucestershire County Council, which by itself has

sold almost £100 million worth of property assets during that period.[2] In the year 2011–12, reported annual capital receipts from the sale of assets by all English local authorities totalled £2 billion. The value of these annual sales receipts has subsequently increased every single year, at an average annual rate of 20 per cent – taking them to £3.6 billion in 2015–16.[3] If this is not quite the death of municipal England depicted by Crewe, it is certainly the radical attenuation of its worldly foundations.

The Public Estate Today

In the wake of the extensive dismantling of the public estate charted in the preceding pages, what remains of it today? How big is it? And what do we know about the relative significance of different individual landholding bodies? My best estimate is that the public estate in Britain today comprises approximately 2.2 million hectares (10.5 per cent of total land area), of which roughly 1.3 million are in England and Wales (10 per cent of land area), and 0.9 million in Scotland (11 per cent). These estimates are based on a bottom-up analysis of the different parts of the estate, drawing on a range of different sources.[1]

As above, we can begin with the central government estate. It is still dominated, of course, by forest and defence lands – even more so than it was in the early 1980s, with disposals from other parts of the central estate, as we have seen, having been proportionately much heavier. The Forestry Commission owns a shade over a million hectares of land across Britain (of which around two-thirds are in Scotland, albeit not all forested), while the Ministry of Defence owns 220,000 hectares.[2] With the rest of central government owning only around 220,000 hectares collectively, Forestry Commission and MoD lands now account for around 85 per cent by area of the overall British central government estate – which amounts in total to just under 1.5 million hectares. The equivalent figure at the end of the 1970s was around 73 per cent. The *c*. 220,000 other centrally owned hectares represent a veritable patchwork of holdings scattered among various bodies. The biggest holdings, totalling around 145,000 hectares, belong to the Scottish government, of which 95,000 hectares represent its crofting estates.[3] Whitehall owns an estimated 77,000 hectares.[4] The Department for Environment, Food and Rural Affairs (DEFRA) is comfortably the largest

individual landholder in Whitehall, with around 47,000 hectares.[1] The NHS estate, once so substantial, now covers just 6,500 hectares, spread across approximately 1,250 separate sites.[2] And the civil estate – the very nerve-centre of government – after decades of being squeezed, now no longer stretches to even a thousand hectares, measuring a measly 800 hectares.[3] It can therefore at least be said that, where estate reduction is concerned, Whitehall practices what it preaches.

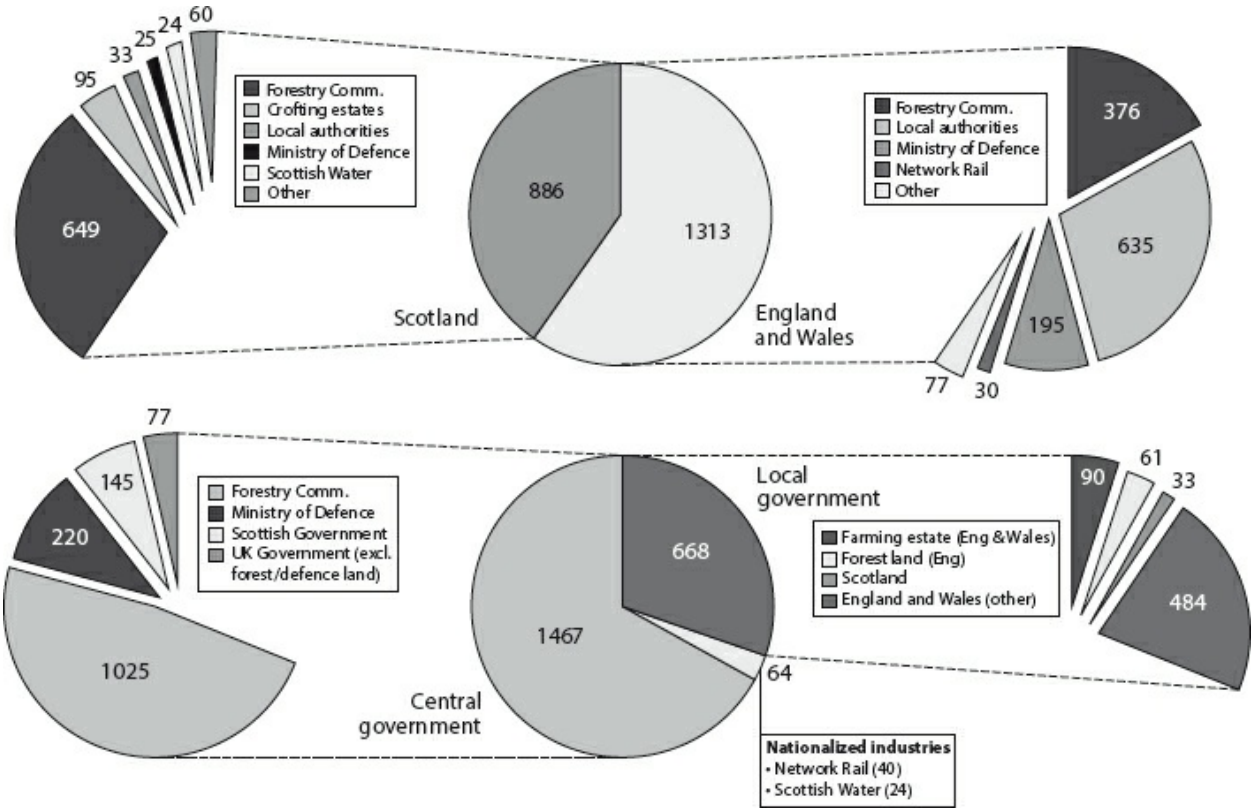
The local government estate, meanwhile, today spans an estimated 668,000 hectares. Only 5 per cent of this land is in Scotland, where local authorities own just 33,000 hectares, including Common Good lands that previously belonged to one of Scotland's burghs, and are now held by local authorities for the 'common good' of local people.[4] So the vast bulk of local government land – an estimated 635,000 hectares – is in England and Wales.[5] Figures suggest that perhaps a quarter of this English and Welsh local government estate is broadly 'rural' in character. The farming estate, despite decades of depletion, still covers an estimated 90,000 hectares, let to some 2,500 tenant farmers across fifty local authorities, although this area is diminishing rapidly – 22,000 hectares have disappeared just since 2012.[1] English local authorities also own relatively significant tracts of forest land, separately from the main public holdings of the Forestry Commission. These totalled 61,000 hectares in 2001, with no evidence of substantial pruning since then.[2]

That just leaves the land of the two remaining nationalized – or renationalized – enterprises with substantive holdings. One of these is Network Rail, which I have discussed already, and which owns an estimated 40,000 hectares of land across Britain.[3] Based on the geographical distribution of British Rail's landholdings prior to privatization, I estimate that approximately a quarter of Network Rail's land is in Scotland. The other nationalized enterprise with significant landholdings is Scottish Water, with around 24,000 hectares.[4]

Figure 5.2 pulls together the above estimates for the overall landscape of contemporary public landownership in Britain. It should be emphasized that these are of course estimates for the breakdown of public ownership by area. A breakdown by value would, needless to say, potentially look very different indeed. As I noted towards the end of Chapter 2, different locations and land-use types can attract vastly different valuations. The most valuable land tends

to be urban land, especially urban residential land, and within the public sector such land is disproportionately held by local authorities. Thus, while the local government share of the total public estate in Britain by area is, by my estimates, only around 30 per cent, its value share is surely much higher (think of all the remote Scottish forest-land and MoD training land that dominates the central government estate). Indeed, the government's own data put a value of £229 billion on the local government estate – its land and buildings – in 2016.[5] This represents 57 per cent of the estimated value of the total public estate, also in 2016, of £405 billion. Combining my areal estimates with the government's value-based ones suggests, in other words, that on average local government land and property is roughly three times as valuable as land and property owned by central government and the two nationalized enterprises, the former being worth an average of around £343,000 per hectare, and the latter around £115,000.

Figure 5.2 Estimated public landownership in contemporary Britain by area (thousand hectares)



Source: Author (based on sources cited in the text)

Finally, if it is clear that on average local government land and property is more valuable than central government land and property, then it is equally clear that on average private land and property in Britain is more valuable than state land and property. As we have seen, the public estate today covers about 10.5 per cent of Britain by area. Its value share, however, is much lower. £405 billion – the estimated worth of public land and buildings – represents only 5 per cent of the value of UK land and buildings in total, which is estimated to be £8.54 trillion (see Figure 1.2). Numerous factors undoubtedly help account for this value–area differential, but the distribution of housing wealth is surely the main contributory factor. Housing, including – especially – the land it sits on, represents comfortably the largest component of UK net worth (see Chapter 1). And the state today owns only a minority share of this principal stock of wealth – 7.4 per cent in volume terms (2 million of 27.5 million dwellings), and certainly much lower still in value terms.[1] In short, public land and property in Britain is generally much less valuable than private land and property because proportionately less of it is residential. The colossal devaluation of the public estate has indeed been one of the main consequences of four decades of Right to Buy. The economic and social consequences of land and property privatization more widely are the subject of the remainder of this chapter.

Privatization's Failures

As we saw in Chapter 3, Whitehall has in recent decades advanced a series of forceful arguments as to why public land is generally better off in private hands. In the same chapter, I advanced, in turn, a series of arguments as to why the government's logic typically does not stack up: it is sometimes shaky, sometimes contradictory, and sometimes just plain wrong. And yet the proof of the pudding is ultimately in the eating. Whatever the flaws of the logic, if privatizing the land has in practice delivered the purported goods – and if the goods, so to speak, are indeed ones we can acknowledge as 'good' – then this should certainly be recognized. So, to what extent has the reality of land privatization lived up to the objectives with which it has been charged?

Let us begin by reminding ourselves of what successive governments, particularly Britain's Tory governments, have claimed selling public land would achieve. Five principal, connected themes can be highlighted. First, Whitehall has vouched not only that selling land would release value that would otherwise remain locked up, but also that value for money – which really, in this context, means money (reasonable sales proceeds) for value (of the land disposed of) – would be delivered in the process. Second, it has repeatedly said that selling public land would on balance be beneficial, and especially to those people living locally to the disposal site – that is, to the 'local community'. By finding 'a new use for old government land', Matthew Hancock, minister for the Cabinet Office, said in mid 2015, 'we are helping local communities to spring to life'.[1] Third, these, mainly local, benefits would include increased job creation and economic growth. Fourth, much-needed new housing would also be delivered. Fifth and finally, selling public land would make overall land allocation and use more efficient; freeing land from the dead hand of the state, and instead subjecting it to the invisible hand of the market, would see more land put to its 'highest and best use'.[2]

Regarding the third of these objectives, whether or not the privatization of land has in fact stimulated local employment and economic growth is frankly impossible to judge. We do not know enough about the detailed history and geography of what land has been sold, and where; and, even if we did, I cannot imagine any reliable way of isolating land privatization from the wide array of other factors – both local and non-local – that potentially have an impact on local employment and output dynamics. But we are in a better position to assess the relative 'success' of land privatization against the other objectives listed above. Let us take them in turn.

Value for money

I touched in Chapter 4 on the value-for-money question, making three main observations. One was that, in many cases, value for money clearly has not been achieved on public-land disposals because those disposals were made under some form of duress. A second was that subsidization of commercial purchasers through risk mitigation instruments such as Build Now, Pay Later also calls into question value-for-money performance. And the final observation was that, in many instances, we are no better placed to make a value-for-money assessment than we are to make an assessment about job and growth stimulation, because the information necessary to enable us to

make such an assessment has not been recorded or reported. The most notable such instance, as I wrote, concerns the first phase of the ongoing public land-for-housing programme.

Here, I want to build on these observations as far as the available data allow. The most important thing we can say with confidence about sales undertaken in the apparent absence of compulsion, duress or explicit risk mitigation measures is that, while undoubtedly there have been occasions when value for money – understood, for now at least, in the basic sense of a sale price approximating to the prevailing market value – has indeed been achieved, equally certainly there have been many occasions when it has not. This is true of sales from both the central and local government estates. Two recent examples will help to make this point.

The first, from central government, was no ordinary sale: it was the largest sale of publicly owned land in Wales in recent years. In 2012, the Regeneration Investment Fund for Wales (RIFW – a wholly-owned subsidiary of the Welsh government) sold fifteen sites, varying from former industrial land to over 100 acres of farmland slated for housing on the edge of Cardiff, as a single portfolio, for £21 million, to a Guernsey-based company called South Wales Land Developments, in a disposal not advertised on the open market. In 2015 – by which time one of the sites, in Monmouth, had already been sold on for £12 million – the District Valuer, in a report by the Wales Audit Office, estimated that the cumulative market value of the sites had actually been in the region of £36 million.[1] In other words, the sale 'should have generated at least £15m more for the taxpayer … Auditors also said there were flaws in the sale process and weaknesses in the advice to the RIFW board, in particular from the property consultants Lambert Smith Hampton.'[2] Value for money clearly had not been achieved.

In terms of sales of local government land, there is an even more recent, albeit much smaller example. In 2015, Canterbury City Council in Kent entered into a contract for the sale of a parcel of seafront land in Whitstable to a property company, Sea Street Developments. As we saw in Chapter 4, local authorities have a duty not to dispose of land for less than 'best consideration' (in other words, market value) without consent from the Secretary of State (usually on the grounds that the sale will contribute to the area's wider 'well-being'). In this case, no such consent had been sought; but local protesters claimed the council land was worth 'up to ten times' the

contracted price.[3] On this and four other grounds, a local community group, the Whitstable Society, brought a case against the council in the High Court. The case concluded in February 2017, and although the High Court judge rejected the four other grounds – and ruled that the sale could go ahead as agreed – he nonetheless concurred on the issue of value for money, if not necessarily the 'ten times' figure. The council had 'failed to obtain best consideration for the land'.[4] Again, value for money was clearly not achieved.[5]

Arguably the most significant example during the neoliberal era of British public land and property being sold, not under compulsion, without value for money being realised, is of course that of council housing. Not achieving value for money was, after all, written into the very fabric of the Right to Buy policy from the start: offering discounts against the market price is precisely the mechanism for incentivizing purchase, and thus transferring property from public into private hands. Increasing with the length of tenancy, discounts have ranged widely, both temporally and geographically, but have been for as much as 70 per cent off market value (higher than even Thatcher envisaged). A simple back-of-the-envelope calculation for the English case suffices to signal the extraordinary scale of value not realized by the taxpayer on council house sales. Since 1979, around 1.9 million properties have been sold under the Right to Buy scheme in England.[1] Let us assume an average discount against market value of 25 per cent (this is very conservative: in the 1980s discounts averaged 44 per cent; by 2013– 14, the average discount had crept up to 47 per cent).[2] If, for these 1.9 million properties, we assume an average market value at the time of sale, in today's prices, of £100,000 (again, this is conservative: the halfway point of Right to Buy in terms of dwellings sold was reached in 1989–90, and the average UK house price in today's prices had already passed £100,000 by 1986), then the cumulative absolute discount on these property sales, in today's terms, was in the region of £50 billion.[3] That is a lot of value for money not achieved. A 2014 statement from the Local Government Association saying that Right to Buy provides 'poor value for the public purse' was something of an understatement.[1]

The Tories, of course, have consistently argued that there is a certain non-monetary value attached to the sale of council housing: that, in helping to create Thatcher's aspirational 'property-owning democracy', the Right to

Buy policy makes up for the vast deficit in realized monetary value with a quantum of intangible sociopolitical value. Making renters into homeowners, on this way of thinking, renders them more stable, more responsible, and more self-reliant. But that is just ideology. Furthermore, there is evidence of Right to Buy being exploited in such a way that any such (theoretical) compensatory sociopolitical value is precluded because, where such exploitation occurs, renters are not in fact being turned into homeowners. A 2014 *Sunday Times* investigation found that directors of the London Investment Property Group had been leafleting council house tenants in Westminster, entirely legally, 'with the offer of six-figure financial rewards' if they agreed to work with the company by invoking their right to buy and then selling on their home. One director, Nicholas Carlino, told an undercover reporter how he could simply 'buy [properties] from tenants and resell for much higher prices'. Profits were easy precisely because of the discount mechanism embedded in Right to Buy: 'Councils are massively undervaluing the properties'. What did this mean in terms of value for money for the taxpayer? That 'councils are losing public money', of course.[2]

As I noted in Chapter 3, one reason that it can readily appear that value for money has not been achieved on public land sales is that the value of disposed land has often appreciated greatly after disposal. I also argued that this is a somewhat unfair basis for criticism: no seller can reliably predict future land value movements. What *is* a fair basis for critique, however, is failure to ensure that the state shares in any future value appreciation when methods to facilitate such sharing exist and represent recommended best practice. The Cabinet Office's *Guide for the Disposal of Surplus Land* says public bodies 'should consider how they and taxpayers might share in future profits or increases in the value of the land after disposal' – doing so is considered essential to achieving value for money. Two types of clauses are available: overage ('claiming back an element of improved development value where, for example, there is a general uplift in the market, or where the market value of the end development is not known at the time of sale') and clawback ('claims for all or part of windfall gains resulting from, for example, the purchaser obtaining planning permission for a change of use, or a greater volume of development than anticipated by the planning permission obtained prior to disposal').[1] But these clauses have all too seldom been employed. In March 2018, for example, it was reported that property companies have made enormous profits through windfall gains or improved

development values on land acquired from the MoD, and that ‘in most cases, the MoD failed to ensure that any of the windfall profits were returned to the taxpayer’.[2] So much for ‘value for money’.

And even setting aside the issue of post-disposal price developments, there is a host of other important questions about how we even understand and attempt to measure value for money. Is a simple comparison of selling price with market value indeed a reasonable way to assess value for money? Many would say it is not. Such a comparison assumes, after all, that everything, including land, has a price; reducing value to monetary value alone, it is an inherently capitalist comparison. It also assumes that the future *in general*, and not just the future of land prices, can be accurately foreseen – that we can somehow divine how society will evolve and how public land’s role in nourishing and sustaining society will evolve with it. But obviously it cannot. ‘Our capital base, all that [public] land and all those assets, represent’, as Deborah Harrington says, ‘a value for the future that cannot be easily represented.’[3]

Where the state sells ‘surplus’ land and property, a comparison of selling price with market value seems – these crucial caveats notwithstanding – reasonable enough. But what about the many instances where the state retains an ongoing need for, and/or financial exposure to, land and property that has been sold? Where, in other words, land and property either was not considered surplus in the first place – but could in theory be more ‘efficiently’ managed within the private sector, from which the state could simply lease it back – or was considered surplus at the time, but subsequently proved not to be? In such instances, a simple comparison of selling price with market value is surely inappropriate, because the state retains, or becomes encumbered with, future financial commitments related to that land and property.

The example of council housing presents at least two such instances. One is where, in the face of Britain’s mounting housing crisis, local authorities have resorted, to the extent they are financially able, to buying back at the full market price properties that they earlier sold off at a discount. A newspaper investigation in 2014 revealed that at least nine local authorities had done this – predictably incurring significant losses. In Barnsley, thirty-five homes had been reacquired in eighteen months; in Welwyn Hatfield, the figures were twenty-one in eighteen months. In Leeds, the council had reacquired fifteen homes. In 2014 prices, these homes had originally been sold for a cumulative

£411,000; the council paid nearly £1.24 million to buy them back.[1] Clearly, this did not represent value for money to the taxpayer. The BBC carried out a similar investigation in 2017, looking at local authorities where social-housing waiting lists had risen for four consecutive years since 2011, and choosing ten at random. Six of these had reacquired houses sold under Right to Buy; Islington, for example, had spent more than £6.2 million buying back homes it had sold for less than £1.3 million.[2]

Councils have been criticized for these outlays. Greenwich Council in London, for example, recently came in for criticism when it spent no less than £46.5 million buying homes off the open market.[1] But it is of course vital to consider such councils' strategies in the context of the structural conditions that they face, ones shaped largely by Whitehall. Homes were originally sold at heavy discounts because Whitehall legislated those discounts and, in a kind of reverse compulsion, removed local authorities' ability to block sales to tenants (see Chapter 4). Small numbers of these homes are now being bought back, thus cementing value losses – because Whitehall has failed to provide local authorities with any other effective means of dealing with Britain's housing crisis. Councils make their own housing history, to be sure; but equally surely, they do not do so under conditions of their own choosing. And it is not only councils' former housing and housing land – or leases on that land – that are being expensively reacquired by the state. So too is some of the married-quarters property sold by the MoD to Annington Homes in 1996 (to which I return in more detail below). In 2014, the Ministry itself paid the equivalent of approximately £145,000 per house for a site with 194 homes in Brize Norton; these homes had been sold eighteen years previously for an average of £28,000.[2] Then, in 2016, two local authorities desperate to reduce their social-housing waiting lists, Canterbury and Redbridge, found themselves in a bidding war for twenty-five-year leases on 147 Annington houses in Canterbury, thus using 'state funds to bid against each other for blocks of properties that were owned by the state just a generation ago'.[3]

The second example of the dynamics of ex-council housing muddying the value- for-money picture in view of ongoing state exposure to property it has sold concerns Housing Benefit. This is a benefit provided to some people on low income to help them pay their rent. In principle, Housing Benefit disappears from the equation once council housing has been sold (in a not-

insignificant number of cases, to tenants who are themselves on Housing Benefit): the housing is, after all, now owner-occupied, and no rent is paid.[1] But what happens if the former tenant becomes a private landlord – letting the property to a third party – or sells the property to a private landlord? In such cases, Housing Benefit potentially re-enters the picture. Indeed, the proportion of tenants who receive Housing Benefit in ex-council properties that are now privately rented is typically higher than across the private rented sector as a whole. Recently commissioned research by the Communities and Local Government Committee noted that, in Renfrewshire in Scotland, some 43 per cent of Housing Benefit claimants in the private rented sector were living in properties purchased under Right to Buy.[2]

And ex-council properties ending up in the private rented sector is not a marginal phenomenon. 'Many people who bought their council houses sold them on to private landlords', writes James Meek. 'Right to Buy thus created an astonishing leak of state money – taxpayers' money, if you like to think of it that way – into the hands of a rentier class.'[3] Research carried out in 2015 estimated that around 38 per cent of all council flats sold under Right to Buy in England were now being rented out privately, with the figure rising to 60 per cent in some areas.[4] By late 2017, the national figure had surpassed 40 per cent, with the highest level (71 per cent) being recorded in Milton Keynes[5] – a deeply ironic finding, given the central historic role of state land acquisition in the very formation of that town (see Chapter 2). Moreover, it is estimated that, on average across Britain, Housing Benefit costs per claimant stand at around £1,000 per year higher in the private rented sector than in the now-denuded social housing sector.[6] In short, the state's ongoing Housing Benefit obligations rub painful salt into the wounds of Right to Buy – wounds inflicted in the first place by price discounts and experienced in terms of lost value for money. Through Housing Benefit, successive British governments have, as Meek observes, often found themselves being 'forced to rent [housing] back, at inflated prices, from the people they sold it to' – or, indeed, from those the initial acquirers had since sold it to.[1] The state 'now spends 20 times as much on housing benefit, subsidising rents for buy-to-let private landlords, as it does on building affordable housing'.[2]

Such perverse, value-destructive outcomes, moreover, are not confined to the sphere of social housing. There are examples across the gamut of the (former) public estate, in cases where, after disposal, the public sector has

remained or has again become reliant in some way on the asset that has been sold. One such example relates to freight sidings and yards that the government ‘gifted’ to private-sector freight companies in the 1990s under railway privatization.[3] Unforeseen growth in freight traffic in the decade-and-a-half following privatization saw Network Rail, the public body that once again owns and operates the core of the national rail infrastructure after the failure of private ownership, take the strategic decision in 2012 to buy back over 100 sites from the private freight operators DB Schenker, Freightliner and GB Railfreight. When the deal completed in 2014, the price paid by Network Rail was not made public.[4] Given subsequent revelations, this was unsurprising. Unprepared to let the matter rest, the dogged Labour MP Liz McInnes insisted that the Department for Transport come clean, and in 2016 she got her answer. Reacquisition of the sidings and yards had cost a cool £220 million.[5]

A better-known, and no less monetarily significant example concerns the Ministry of Defence’s service family accommodation that was sold to Annington Homes in 1996. Here, unlike in the case of the railway sidings and yards, the land and property that was sold (in the form of a 999-year leasehold interest) was mostly not deemed surplus at the time of the disposal – the MoD had to lease back what it still required. It was sold, rather, on the grounds of introducing private-sector ‘efficiencies’ to its management, with a 1992 internal MoD review having judged that the estate was being managed inefficiently.[1] But, from the moment of disposal, there were concerns that value for money had not been achieved, and a report two years later by the Commons’ Public Accounts Committee thrust these concerns squarely into the spotlight.[2] To ‘secure value for money through a competitive sale’ had, indeed, been one of the primary objectives of the deal. But there were, the Committee noted, different ways of measuring ‘value’.

In deciding that the £1.662 billion paid by Annington represented good value, the Ministry had used three different methods of assessment. First, it compared this price with ‘a range of scenarios for continued in-house ownership’, which it valued at between £1.712 and £1.974 billion (higher than the sale price, in other words). Second, it had asked real estate experts – the ever-present Savills – to appraise the value of the accommodation ‘from the perspective of potential purchasers’; Savills said £1.35 to £1.5 billion. And third, the Ministry had asked its investment bank advisers, NatWest

Markets, to make the same calculation, but ‘on the basis of likely cash-flows for a new owner’. Its estimate was £1.48 billion.

But quite how NatWest arrived at this number – indeed, how the Ministry arrived at its own valuations of in-house ownership – is anyone’s guess. And the crucial issue to consider in this respect, as I suggested above in relation to Right to Buy, is the obligations retained by the state. Under the terms of its deal with Annington, what principal obligations did the Ministry retain with respect to the service family accommodation? The most obvious one is rent. Of the 57,434 properties that were sold, some 55,060 properties were immediately leased back on 200-year underleases.[1] In 1998, the Ministry told the Public Accounts Committee that, at the time of the sale, it had assumed that the total rent payable over twenty-five years would be £3.016 billion – or £1.266 billion in net present-value terms, using the Treasury’s then-recommended 6 per cent annual real discount rate. That amounts to three-quarters of the agreed purchase price – excluding, of course, all those rents to be paid after twenty-five years had elapsed.[2] In a brilliant piece of investigative journalism, Holly Watt recently noted that 2021 is referred to today within the Ministry as ‘the cliff edge’. The reason? It is the year of the first rent review allowable under the 1996 deal. The Ministry is still renting approximately 39,000 homes from Annington – nearly 8,000 of them empty, but paid for nevertheless – and until 2021 it receives the 58 per cent discount against market rent agreed under the terms of the deal. But ‘there is nothing to stop Annington charging full market value after that point’, when there will still be 175 years of the underlease to run.[3]

Furthermore, the Ministry in fact retained all responsibility for maintaining and upgrading the accommodation leased back from Annington. (Why? Its advisors ‘had considered that excluding maintenance would avoid over-complicating an already novel sale transaction’. Thanks, NatWest!) Asked in 1998 how it anticipated the maintenance cost would develop, the Ministry’s estimate, based on occupancy projections made at the time of the sale, was £816 million in net present-value terms – again, over twenty-five years. For good measure, the ministry admitted to the Committee that it ‘also anticipated spending around £470 million (cash) on the upgrade programme’. (In 2016, the average ‘dilapidations’ payment incurred by the Ministry on ex-rental properties handed back to Annington, to ensure they were in an acceptable condition, was £21,809.)[4] In other words, even at the time of the

deal, the Ministry had expected its binding future commitments to Annington during the first twenty-five years of the deal to cost significantly more – far north of £2 billion – in present-value terms than Annington paid for the properties. And then, of course, in 2021 there is the cliff edge.

In short, largely due to the state's post-disposal reliance on land and property that was not surplus in the first place, the Annington deal was a terrible one for the state – and hence the taxpayer – in terms of value for money. It was, says Watt, a 'catastrophic mistake'.[1] But value, like energy, does not, of course, generally disappear into thin air. One person's value loss is usually another's gain. And in this case the gain, unsurprisingly, was Annington's. In a thorough review of the deal carried out just short of a decade after it had been completed, Ettie Neil-Gallacher calculated how much, at prevailing property valuations, Annington had profited from it. The answer, already at that stage – Annington continues to profit today – was over £4 billion.[2]

Community benefits

The extent to which the privatization of public land in Britain has lived up to the government's value-for-money promises has been explored here at some length. Value for money is one of those issues that has been in the spotlight throughout the several decades of estate reduction. The Tories, in particular, have prided themselves on it: *You may not always like us; indeed you may be one of the many that consider us the Nasty Party; but, unlike those uncommercial Labour types, you can rely on us to get the job done where hard-nosed economic challenges are concerned.* Thus, in one form or another, there is a lot of data relating to value for money and land privatization in the public domain. We live, after all, in financial times. If there is one score on which all contemporary governments can expect to be judged by the mainstream media, it is value for money: it is real, it is quantifiable, and it affects all of 'us'.

Community benefits are another matter. Certainly, the claim of doing something that will benefit the 'local community' – that hoary political signifier – represents a valuable adornment to any government policy. But at the end of the day it is not on this basis that governments expect to be, or are, judged. As Ted Porter famously observed, we trust in numbers.[1] 'Community benefits' are soft, fuzzy, somewhat qualitative. And they are also local.

All of which is to say that while we should of course question whether land privatization has helped local communities, as Hancock put it, to ‘spring to life’ (this is one of the government’s promises, and should be treated as such), few others have. To the best of my knowledge, there have been practically no in-depth examinations of what public-land disposal in Britain has meant specifically for those living in the vicinity of disposal sites. Indeed, I am aware of only one; and the author of that report, Julian Dobson, himself noted that, in carrying out his research, he encountered ‘a lack of overarching academic research and little to suggest the issue has been high on the national policy agenda’, and ‘minimal interest in the issue from central government’.[2] In a nutshell, this is the problem: we simply do not have much evidence to work with. We are thus not in a strong position to judge.

Still, the Dobson report, which is my main source, does offer some revealing findings with regard to community benefits. It was commissioned by the Bill Sargent Trust, a Portsmouth-based research charity focused on housing and housing-related issues, and published in 2009. Its particular concern was community benefits from MoD land disposals. Reviewing the long history of such disposals over previous decades, it came to two main conclusions. Both, I think, have a broader pertinence.

The first conclusion was that there is a perennial tension between, on the one hand, the short-term budgetary exigencies of those public bodies selling land – in this case, the MoD – and, on the other, the long-term needs of local communities. Community benefits, the report suggests, tend not to correlate with sale price (or what we have been calling ‘value for money’). ‘There is a clear conflict’, Dobson wrote, ‘between the pressure on the MOD to achieve maximum value in terms of price, and the requirements … to achieve maximum value in terms of quality and benefit to the local community.’[1] Tellingly, HM Treasury, in a report published in the same year, indicated that it tended to agree: ‘Where rationalisation or efficiency gives rise to significant opportunities for land developments, choices need to be made between the desire to maximise the receipts from disposal and using the surplus land for social benefit.’[2] This was exactly Dobson’s finding: ‘choices need to be made’; you cannot have your cake and eat it. The difference was that Dobson was clear about which imperative won out:

> Given the choice between meeting internal targets for sales which could directly affect the budgets available for frontline troops, and the possible benefits to local

> communities from a more considered but less lucrative approach to the disposal of a site, it is hardly surprising that [the MoD] consciously and consistently opts for the former.[3]

The Treasury, meanwhile, sidestepped the issue.

So, are positive community benefits wholly, 'consistently' absent? No. This was the second crucial finding of the Dobson report. Despite the fact that sale price is consciously privileged over possible community benefits, the latter nevertheless do sometimes materialize. But they materialize, critically, not as a planned, considered, predictable outcome of disposal strategy – as something deliberately built into the logic and process of the sale – but, rather, fortuitously. They materialize because, in short, land and property prices have been rising, and in this bounteous context, developers – the main buyers of MoD land – have been willing to share some of their rich spoils in the form of relatively uncostly gestures of good will. 'Attempts to resolve [the conflict between price and community benefits] within individual disposals have been tentative, muddled, or dependent on cross-subsidy from a buoyant private property market', Dobson wrote; 'most approaches to community benefit within the UK have depended on rising land and property values to generate sufficient surplus to underwrite activities such as the preservation of heritage or the provision of community facilities'. Rather than a policy success, then, community benefits have been incidental gains – scraps thrown from the table of outsized private-sector 'profits available from residential or commercial sales'. Rising land values 'have helped to paper over the policy cracks'.[1] A rising tide, thankfully, lifts all boats. The problem, of course, is what happens when the tide stops rising.

New homes

Over the past four decades, a wide range of justifications has been invoked for the disposal of public land in Britain (see Chapter 3), but increasingly, and especially since 2010, the government has emphasized one argument above all others: housebuilding. Britain, it is said, has a housing crisis, in the form of shortages of stock and declining levels of affordability. Releasing public land to private-sector house-builders will contribute substantially to resolving the crisis because those housebuilders, currently constrained by a dearth of developable land, will build the homes that Britons need.

Well, for all the bluster, it does not appear to have worked very well. The

land has been released as promised to Britain's leading housebuilders. But homes have not been built in anything like the numbers that the government has touted. I will turn presently to the question of why this might be so, but first let us consider the evidence. In both cases, I will focus on the period from 2011 to mid 2017, and on disposals specifically by central government bodies – the government's flagship, two-phase public land-for-housing programme having been launched in the former year. (The related programme of targeted disposals by local government for housing, discussed briefly in Chapter 4, is of more recent vintage, having been initiated only in 2016; it will be some time before we can begin to assess its achievements.)

How much land has been sold as part of this programme? During the first phase, which ran until early 2015, government departments sold land with an estimated capacity for 109,590 homes across 942 separate sites. The biggest contributors were the MoD (38,778 homes), the Homes and Communities Agency (20,930) and the Department of Health (15,185 homes).[1] The second phase was launched in May 2015. Its target is the release of land with the capacity for at least a further 160,000 homes by 2020 (see Chapter 4). By October 2016, the total housing capacity of land 'either identified for sale or already sold by departments' under the second phase of the programme had reached 145,492. Most of this, inevitably, was land 'identified for sale'; the estimated housing capacity of land actually already sold during the second phase was only 8,465.[2]

It is of course much too early to judge the success of the second phase in terms of houses being built. But it is certainly possible provisionally to judge the success of the first phase, at least to the extent that government data allow. This is a significant caveat, however. The basic position is that, at the time of writing, in mid 2018, we do not know how many homes have been built on the 942 released sites. And neither, yet, does the government. Not only did the Department for Communities and Local Government (DCLG) not record during the 2011–15 period any of the information (such as sales proceeds) necessary to assess whether value for money had been achieved on these land sales; neither did it monitor whether homes were actually being built. Indeed, a formal decision to address this oversight – and to begin to count home completions on all land released during both phases of the programme – was not taken until mid 2016, the government latterly having been stung into action by criticism of its handling of the entire process, not least from the Commons' Public Accounts Committee (see Chapter 4). So, in

terms of tracking the progress of homes constructed, the government is playing catch-up. It will be some time before the full picture becomes visible.

Still, two releases of data have begun to clear the mists somewhat. First, in January 2016, the DCLG reported on research it had commissioned internally into construction progress on 100 of the 942 sites sold in the first phase. This sample included sites from 'every region of England' and from a wide range of disposing public bodies, including DEFRA, the MoD and the Department of Health. At the time of their release to developers, the 100 sites had an estimated capacity for 8,600 homes – around 8 per cent of the total capacity released during the first phase of the programme. But the results were utterly dismal. On sixty-five of the 100 sites, bulldozers had yet even to make an appearance. Twenty-one sites were 'in the process of being built out'. And so work had been completed on just fourteen sites. What was the total number of homes completed, out of the total intended number of 8,600? Just 200 – a measly 2 per cent.[1] One member of the Public Accounts Committee, putting things mildly, dubbed this a 'very poor performance'. Another used stronger words, accusing the government of 'absolving yourself of the responsibility of making sure housing is built' on released public land.[2]

The second release of data was somewhat more flattering from the government's perspective. It was provided by the DCLG in February 2017, and reported on progress at 130 different phase-one sites – these had all been sold by the Homes and Communities Agency, and all outside London. They were generally larger sites than those included in the 100-strong sample that had been reported on a year earlier, and had estimated capacity for around 18,450 homes. More progress had been made: just over 4,800 homes had been completed.[3] But that is still only a completion rate of approximately 25 per cent. In other words, stronger – with the greater elapsed time since the release of land surely playing a part – but still far from strong. Indeed, even these better figures prompted widespread criticism. The New Economics Foundation (NEF) estimated that, at the prevailing rate, the government's headline projected number of new homes on sold-off public land would not be built until 2032, and called for the public land sell-off to be halted in March's Budget.[1] It was not.

The NEF also raised the crucial issue of the affordability of homes that were being, and potentially would be, built. It estimated that only one in five of the new homes to be built on public land sold off in the six months to

March 2017 would be affordable. ‘Even this figure’, it continued, ‘is optimistic as it uses the government’s own widely criticized definition of affordability.’[2] That only a small proportion of homes built – if they are, in fact, ever built – on released public land will be ‘affordable’ is unsurprising. The DCLG admitted in 2015 that, ‘while it promoted affordable homes through other means and quite a lot of the sites in this programme were being developed with a strong affordable homes element, there was no specific target within the 100,000 [total first-phase target] for how many of these homes should be affordable’.[3] And as various interviewees told yet another special committee convened in 2016 to consider Britain’s housing crisis and the apparent failure of public land sales to alleviate it – this time, the Lords’ Select Committee on Economic Affairs – the requirement on government departments to achieve full market value from the sale of their land directly militates against building affordable homes.[4] It incentivizes developers to maximize revenues to cover land-acquisition costs; indeed, it effectively legitimizes, even necessitates, such an approach (although of course the equation changes if the developer is in receipt of Build Now, Pay Later–type subsidies). This problem is merely another variant of the wider conflict between maximizing sales proceeds and realizing social benefits that we encountered earlier in relation to MoD estate disposals. This conflict, which is ultimately one between land’s use and exchange values, and is inherent to capitalism, has bedevilled the four-decade land privatization project from the start. As John Montgomery wrote, astutely, in 1987:

> in acting as traders in the land market, public bodies who are also planning authorities internalize the conflict over the use and exchange values of land. This often manifests itself where, for example, local authorities or development corporations undermine their land use strategies by disposing of property on market criteria, that is to the highest bidder.[1]

In the case in hand, government departments directly undermine one of the government’s own main avowed land-use strategies – providing affordable housing – by prioritizing exchange value upon disposal. Relaxing the market-value requirement was therefore one of the Lords Select Committee’s main recommendations, although it recognized that this would only work if Whitehall introduced ‘a central scheme that approves and compensates public bodies who sell land below market value.’[2] It has not.[3]

If the reasons for the dim prospects for affordable housing on released

public land are understandable, what about the sluggish progress in construction of housing more generally? Is this, too, comprehensible? I will address this question more fully in the final section of the chapter, where my focus is on what the disposal of public land in Britain under neoliberalism has in fact led to, as opposed to what, among the government's promises, it has not led to (including more than 250,000 new homes), which is my main concern in this section. Because one thing – maybe even the most important thing – that the disposal of public land has led to, directly and causatively, is growing banks of undeveloped land in private-sector hands.

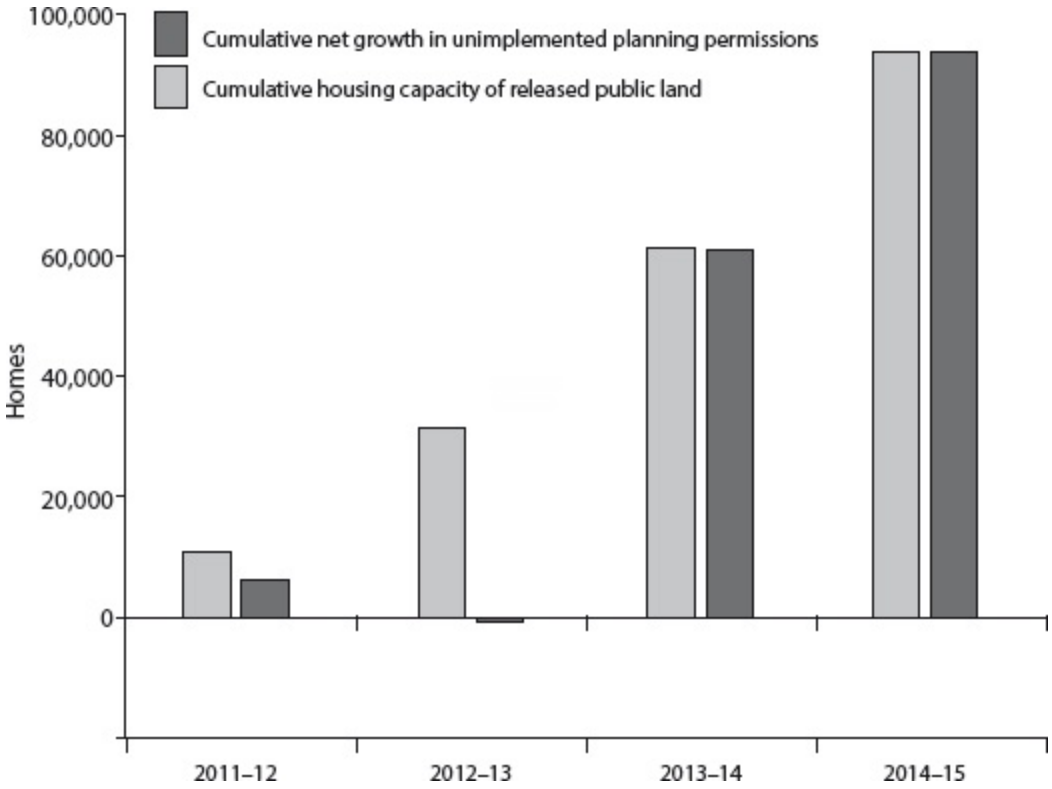
Nevertheless, there are two points to be made here. The first is that the lack of pronounced progress in homes being built on released land cannot be laid solely at the door of the developers who have failed to build. Whitehall should also take its share of the blame. There has been nothing to stop the government from making housebuilding, within a certain period of time, an absolute condition of public-land sale. But it has explicitly chosen not to do so – and persists in this choice. Indeed, the DCLG made a revealing admission when pressed by the Public Accounts Committee on why, until after mid 2016, it had not even monitored the numbers of homes built: 'The Department told us that its accountability was for the overall target of releasing land towards 100,000 homes and that it was just the oversight of the release of land, not the housebuilding, that it had been tasked with: "*The target was not to build homes;* it was to release land".'[1] In fact, the DCLG underlined the fact that its target of releasing land was 'a very different thing from having a target to actually build those homes', even if it did acknowledge, seemingly grudgingly, that 'building homes was ultimately why it wanted to release the land.'[2]

The second point is that it is clear how developers' slow progress in building homes on ex-public land should not be comprehended. It is not the fault of Britain's much-maligned planning system. As I noted in the previous chapter, all public bodies intending to sell off land have for more than a decade been encouraged by Whitehall to acquire planning permission for the development of that land in advance of disposing of it. And this is exactly what those government departments involved in selling land for what they presumed would be housebuilding, as part of the ongoing two-phase programme, have sought to do. Obtaining planning consent is one of the most common 'de-risking activities' they have performed prior to disposal, 'with the intention of increasing the site's appeal'. Believing a site with permission

is likely to be worth more to bidders, departments have been ‘investing time and effort in the process despite uncertainties as to how long it could take’.[1] In fact, departments cannot claim land as sold for the purposes of the public land-for-housing programme unless ‘planning certainty’ is already in place.[2] Consider, for example, the 100 sites examined in the DCLG’s January 2016 sample, on which only 200 homes had been built, but which, at the time of their release, had estimated capacity for some 8,600. Was a lack of planning permission the problem, or even part of it? No. In fact, the local planners had outdone themselves. Planning permission was sitting comfortably in place across these 100 sites for 9,100 homes – 500 more than originally anticipated.[3]

And it is possible literally to see the evidence that the land released to developers since 2011 for them to build houses on has not been encumbered by planning constraints – that it has, rather, been land on which they can build. Because, as the cumulative amount of land released by government under its prized programme has grown year by year, so, in parallel, has housebuilders’ cumulative stock of ‘unimplemented’ (uncompleted) planning permissions. Figure 5.3 provides a sharp graphical indictment of the government’s policy. First, it shows, for the period from 2011–12 to 2014–15, the cumulative estimated housing capacity of public land released since the beginning of the programme in 2011 (the left-hand bars).[4] Second, it shows cumulative net growth over the same period in the number of planning permissions granted but not yet completed, which stood at 382,099 in 2010–11 and had mushroomed to 475,647 by 2014–15 (the right-hand bars). Of course, there is not in reality a simple one-to-one correspondence between the two series; we know, for instance, that some of the land released during this period had seen homes built on it by the end of the period, though not many of them – and acquired public land is obviously not the only source of the industry’s incremental planning permissions. But the parallel sequential development of the two series is unmistakeable, and clearly not accidental. Land handed over by government departments was mostly converted not into new homes, but into sites on which developers could have built, but had not done so.

Figure 5.3 Capacity of disposed land vs. unimplemented permissions



Source: Local Government Association; National Audit Office

Market efficiency

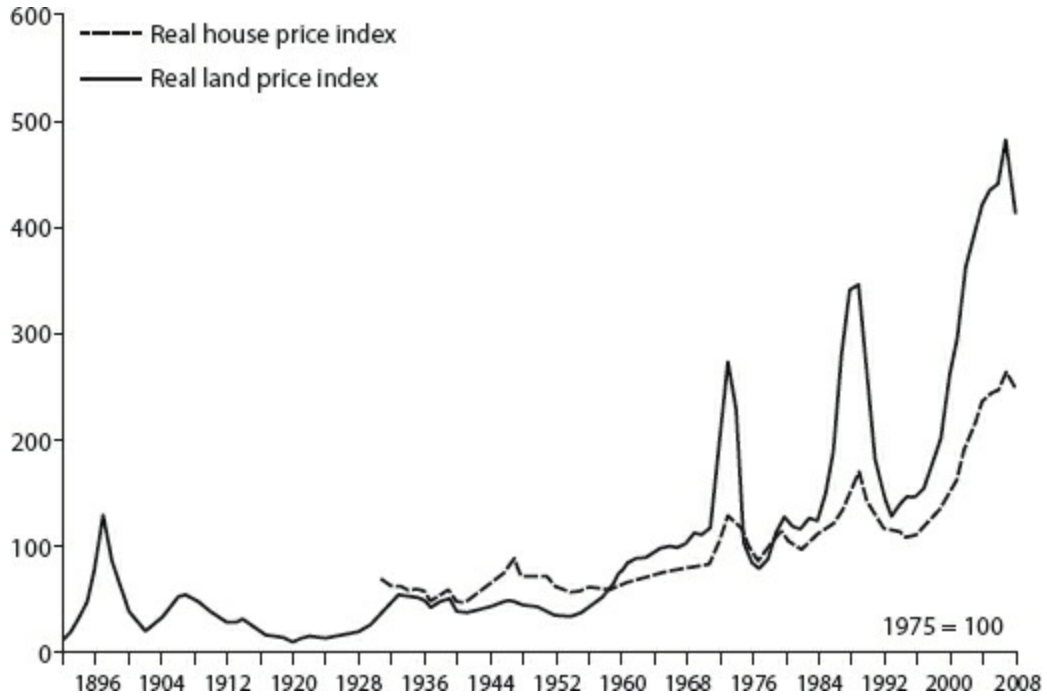
In Chapter 3 I showed that arguments relating to efficiency in the allocation and use of land have been central to the government's case for privatizing British land. The state, simply stated, is assumed to be inefficient; private-sector actors, disciplined at once by the profit motive, competition, and market forces, are assumed to be efficient. As John Krutilla and colleagues have noted of the parallel case for land privatization in the United States, 'The proposal to transfer federal lands to private ownership rests on the fundamental premise that private property and free markets assure an efficient allocation of society's resources.'[1]

Hence, the question to be asked is: Has the large-scale privatization of land in post-1970s Britain in fact improved efficiency of allocation and use, both in relation to the particular parcels of land that have been sold and, therefore, British land more generally?[2] Needless to say, this is an extremely difficult question to answer. Efficiency is not an easy thing to assess, least of all in relation to land; and, given the enormous number of individual sites that the state has disposed of, a consideration of efficiency issues at the local level

is a non-starter; we can only consider the question at the macro scale. At that scale, it seems clear that privatization has not improved efficiencies. Transferring land to private ownership has not necessarily made matters significantly less efficient (though it may well have done); but it certainly has not made them more so. And the reason, I suggest, is straightforward. Britain's land market is itself inherently inefficient. Feed that market with more commodified land, and that land is liable to be allocated just as inefficiently as land already within the private sector.

Evidence of the inefficiency of the British land market is legion. It is manifested in two particularly striking, and connected, phenomena, each of which is patently deleterious to the wider economy that the land market should, in theory, be productively supporting. The first is the extraordinary volatility of the British land market – volatility being widely understood as a measure of market inefficiency.[3] This volatility has long been recognized. Writing in the late 1990s, Michael Ball observed not only that house price volatility is 'much greater' in the United Kingdom than in most other European countries, but that 'annual volatility of real land prices, which between 1972 and 1995 had an annual standard deviation of 20 per cent', was 'twice as high as that of house prices'.[1] More recently, in 2011, researchers at the Institute for Public Policy Research (IPPR) found that the pattern had continued: 'UK residential land prices have demonstrated a clear cyclical pattern of boom and bust since the 1980s. Residential land prices have in fact been even more volatile than house prices'.[2] Figure 5.4 makes the point graphically, showing the relative trends in British land and house price indices over the *longue durée*, up to the middle of 2008. By the end of 2008, the price of land had fallen further still – the Office for National Statistics (ONS) estimates that the value (and hence price) of UK land fell fully 23 per cent in just those explosive twelve months (see Figure 1.2). Extreme volatility in land prices, needless to say, does not make for smooth economic planning and management. As the IPPR researchers observed, volatility in land and housing markets is 'intimately connected to instability in the economy as a whole'.[3]

Figure 5.4 UK real land and house price indices, 1892-2008



Source: P. Cheshire, 'Urban Containment, Housing Affordability and Price Stability – Irreconcilable Goals', SERC Policy Paper 4, 2009, p. 9, at eprints.lse.ac.uk

The second, connected, phenomenon reflecting and transmitting inefficiencies in the land market is clearly unproductive allocations of land – 'misallocations', one might call them. Research carried out in 2012 for the mayor of London by the development analysts Molior, for instance, found that, in London, nearly half of unimplemented residential planning permissions were in the hands of 'non-builders' ('firms that we cannot see building a scheme themselves', such as investment companies and the like), and that the latter controlled 55 per cent of the planning pipeline.[4] Such speculative holding can be described as many things, but 'highest and best use' of the land is obviously not one of them. Writing the following year, Andy Wightman observed a more generalized tendency across the United Kingdom, one encouraged by government fiscal policy, for capital to be channelled into speculative landholding. The result, he made clear, was nothing short of 'distortion of the UK economy'. This was partly because this allocative dynamic 'removes otherwise productive capital from being deployed in more useful investments … in businesses and infrastructure', and partly because of the volatility typically associated with such speculation. Leading to 'a sequence of "boom and bust"', Wightman said, 'the

development of asset bubbles that lock economic value into capital assets is bad for the economy'.[1]

Indeed, it is not remotely controversial to describe the land market in Britain as inefficient, and as detrimental to the nation's wider economic health. Even the *Financial Times* decries Britain's land market. A 2015 'FT View' opinion-piece identified it as 'a drag both on growth and social mobility'.[2] The widely acknowledged negative externalities of the British land market come together arguably most forcefully and corrosively in contemporary London. As Oliver Wainwright recently reported, London has in recent years lost industrial land at an alarming rate – almost three times the anticipated rate set out in the Mayor's London Plan.[1] Researchers argue that this is not a function of some 'natural' wastage in the industrial economy, but is principally due to industry being forced out by real estate speculation, unable to pay the rents commanded in the residential sector.[2] Those researching this trend worry that the ultimate result will be a fundamentally unbalanced urban socioeconomy – massive, concentrated distortion, in other words. It is, says one:

> hugely damaging for the 'foundational economy' that sustains the infrastructure of everyday life. These sectors produce mundane, essential goods and services like waste, energy and transport which are used by all Londoners. They also contain many of the essential but largely undervalued jobs which we too often ignore – the car repairers and breakers, brewers and coffee roasters, specialist trade supplies for plumbers and electricians, and the ethnic minority food wholesaling operations.[3]

'The capital', concludes Wainwright, 'is cannibalising its industry, eating its productive space from the inside out.'[4]

Interestingly, the government does appear to have some sense of the distortions seeded and shaped by Britain's maladapted land market. A few years ago it commissioned an interdisciplinary group of academic experts to consider the main land use challenges that the United Kingdom is likely to face over the next half-century. The 300-plus-page 'Land Use Futures' report that resulted was essentially a compendium of concerns associated with the distorted, uncoordinated, nonstrategic patterns of land use that private landownership and land markets tend to deliver. The report demonstrates, says the very first paragraph of the Executive Summary, that 'there is a strong case to develop a much more strategic approach' to land use – the very

opposite of what markets provide. Why? Historically transformed landownership patterns were considered a significant part of the answer. ‘Much urban land is now managed by a range of quasi-public, private or market-led management and delivery mechanisms. These sit alongside the local authority planning mechanisms, and’, the experts conceded, ‘are not easily coordinated.’[1]

And yet, in the face of all this evidence, the government continues to privatize public land, thereby making matters worse rather than better. Perhaps the state, in the shape of the existing multitude of public bodies, is not a perfect allocator of land; indeed, it almost certainly is not. But it can hardly do a worse job than the market – or at least than the actually-existing British land market. By almost any measure, it is madness to release land – or any other public asset – to the private sector, and to expect socially and economically beneficent outcomes to ensue, if the market into which one is releasing that asset is itself flawed. This, though, is exactly what successive neoliberal British governments have done with Britain’s public land. As an *Observer* editorial recently argued, the politicians’ folly is not just land privatization per se, but setting targets – especially for things like housebuilding – for what ‘the market’ should achieve with that land. The specific folly is ‘targets without [market] reform’. There is, the *Observer* reckoned, ‘no market more broken in modern-day Britain’ than the land market. This is why land privatization, and all targets yoked to it, will, by itself, ‘achieve little’ of worth.[2] Even Chris Giles, the *Financial Times’s* economics editor, agrees, deriding the ‘1930s Soviet tractor factory’ mentality of the government in announcing ‘housing production targets’ while doing nothing to enable ‘a functioning market in UK land’.[3]

The question to be asked, then, is why the land market in Britain is so ‘broken’ – why it fails to demonstrate the efficiencies that advocates of privatization continue to claim that it should nourish. Chapter 1 already provided a large part of the answer. Political-economic theory explains exactly why capitalist land markets, for all their intrinsic potential to play a positive coordinating role, tend nevertheless to foment, in David Harvey’s words, systemic ‘contradiction, confusion and irrationality’.[1] The combination of endemic monopoly power over land with the necessity of speculative investment fundamentally predisposes land markets to distorting effects. The theory predicts, and indeed predicted, precisely what has

happened in Britain as more land has been made available to the market machine; only this was not the type of economic theory, of course, that circulates in Whitehall.

But the theory I examined in Chapter 1 does not quite fully account for the particular, extreme brokenness specifically of the land market in Britain. If all capitalist land markets tend, for these reasons, towards inefficiency, Britain's seems especially defective. Why should this be the case? I would suggest two explanations.

The first concerns tax. Simon Tilford has made this case especially forcefully. 'The market for land' in Britain, he says, 'is essentially rigged in favour of landowners', and tax – or the lack of it – is the primary reason. The United Kingdom has no land tax, which would involve landowners paying a percentage of the unimproved value of their land in tax each year (see Chapter 1). Land value gains in Britain, in other words, are tax-free. The skewed incentives associated with this arrangement become especially apparent when planning permission is granted to private landowners. 'With no revenue from land taxes', notes Tilford, 'local authorities are unable to capture any increase in the value of land that takes place'.[2] This not only 'rigs' the market in favour of landowners. It has, for our purposes, an even more important consequence, as acknowledged by John Plender. 'The generous tax treatment of property, which fails to capture the benefit of planning gains for the wider community', Plender writes, 'also ensures extreme inefficiency in land use.'[3] Why?

As Tilford notes, since landowners in Britain 'pay no tax on their land holdings' they also 'pay no penalty for sitting on it, waiting for the artificially-created scarcity [underpinned by the planning system] to push prices up further'. Hence, in part, the vast 'land banks' (to which I return shortly) held by Britain's biggest housebuilders, who, as Tilford observes (and as I noted in Chapter 3), 'drip feed the market, maintaining prices at artificially high levels'.[1] Plender, for his part, identifies another symptom of the market's inefficiency: the under-occupation of large quantities of the country's owner-occupied housing.[2] A land tax would make the British land market much more efficient in these regards. In particular, explains Tilford, 'it would make it more expensive to speculate on future rises in land values, and some of those gains would be captured by the government'.[3] This would incentivize landowners instead actually to develop land – or, in the case of

individual residential landowners, to occupy it more efficiently – or to sell it. Other countries offer instructive lessons here. 'Securing for society the uplift of land valuations after planning permission is granted', notes Plender's *Financial Times* colleague Giles, 'has worked well for years in many countries including Hong Kong, South Korea and Germany.'[4]

The second reason for the particular inefficiency of the land market in Britain relates to something else, beside taxes, that is missing. The premise that private property and markets ensure an efficient allocation of resources requires, as Krutilla and colleagues observe, 'some stringent assumptions. One such assumption is that finely articulated markets for goods and services, as described in conventional economic theory, are in operation.'[1] In other words, it is not so much markets per se that underwrite efficiency; it is, rather, a particular type of ('finely articulated') market, one meeting certain strict criteria. And one such criterion, maybe even the most important one, concerns the availability of information. One of Margaret Thatcher's great inspirations for her privatization agenda was, of course, the Austrian economist Friedrich Hayek. For Hayek, market-based allocation was infinitely superior to state-based allocation because the market was, in Philip Mirowski's words, 'an information processor more powerful than any human brain'.[2] But clearly a market cannot effectively process relevant information about the commodities circulating in that market if such information is not visible. For markets to be efficient, they must be information-rich – information must be freely available to all market participants.

The issue of information availability is pivotal to James Meek's critique of Britain's electricity privatization. This privatization failed to provide, he says, 'the most important thing essential to the functioning of free markets – information'.[3] Exactly the same disabling limitation, I suggest, applies to Britain's land privatization. In being sold by the government to private-sector actors, Britain's public land has been released into a market environment that is notorious precisely for its informational opacity. This opacity serves only to redouble, in the British context, land markets' more general tendency to effect inefficient outcomes.

I touched tangentially on this opacity in Chapter 4, when discussing the historical lack of freely available information about private landownership. This opacity in relation to ownership applies equally, if not more so, to the array of mechanisms and institutions – that is, 'the market' – whereby

ownership changes hands. In 1998, no less an authority than Stuart Beevor, managing director of Legal and General Property and chairman of the Property Investment Forum, admitted the market's impenetrability. 'The market is very imperfect', he said. 'It proceeds on word of mouth and trade secrets.'[1] Subsequent research has confirmed this picture. Many transactions simply do not occur in an 'open market'. Local knowledge is crucial to developers on the hunt for land; one told researchers, the 'best way to buy land is through contacts. We only occasionally buy [land] that is fully in the market'. Many developers 'undertake "saturation surveys" to spot short-term land that could become available "off market" in preference to more competitive "on market" acquisitions'. And they often supplement these surveys 'by placing advertisements in the general or specialist property press, encouraging those owning land with development potential to contact them'.[2] Local estate agents are also retained to bring sites to developers' attention.

The result is that major private landowners with sites to sell rarely feel the need to market them formally. Deals are done in one of two main ways. The first is without any market intermediation at all, and often involving 'an informal agreement that will allow the vendor in the initial trade to purchase a commensurate site in the future'.[3] The second is through the intermediary activity of those whom Isabelle Fraser, in a revealing recent investigation, described as Britain's 'modern-day land barons'. These 'brokers' or 'promoters' are estimated to control as much as 20 per cent of land due to be put through planning. And the 'market' they help lubricate is anything but open. It is, says Fraser, a largely hidden world. With a modus operandi built around exploiting the 'weaknesses and loopholes' of the planning system, these land barons and their activities represent the 'murky underbelly of the land market'.[4] Little wonder, then, that outsiders typically steer clear of the UK market. One Dutch developer nominally keen to buy UK land decided that 'direct land purchase and development posed too many risks due to knowledge and information barriers'.[1] 'The [British] land market', the *Observer* remarks succinctly, 'is opaque.'[2] This is the market, then, into which the government has delivered vast amounts of new stock, expecting it – against all reason – to be allocated and used efficiently.

Land Banking, Rentier Capitalism and Social Dislocation

We now know what the privatization of public land has not done for Britain and Britons. So what *has* it done? What have been the main effects of the privatization programme, beyond simply transferring land from public to private hands, and besides largely failing to deliver the things that the government said it would deliver?

Part of the difficulty of isolating the effects of privatization is uncertainty concerning the identity of its immediate beneficiaries. While we know broadly how much public land has been sold and by whom (see above), if considerably less about exactly where, we know precious little about who has bought the land. As I have said, tens and perhaps hundreds of thousands of individual sites have been sold by the state since the beginning of the 1980s. In many cases no records of transaction details, including the identities of buyers, have been retained; and in many cases where they have been retained, they have not been made public. Who has bought the most land, when and where? We cannot know the exact details.

Nevertheless, it is possible to advance some robust general propositions. We know a fair amount about how broader patterns of British landownership have changed – what types of owners have increased their holdings, what types of owners have become less significant – and we know that the massive public-land disposal programme has played a predominant role in effecting this reshaping. Where owners have become more prominent, in other words, it is often, though not always, thanks to the acquisition of formerly public land. A good example of this causality took place in the early 1980s. The Greater London Council (GLC) carried out a study in 1984 of burgeoning holdings of peri-urban land in London by large grocery retail chains, and found a strong correlation between the siting of these new superstores and hypermarkets and the sites of public-sector land disposal.[1] It did not have documentary proof that the land had been sold to the retail chains, but it was fairly clear that this is what had happened.

At a wider temporal and spatial scale, Kevin Cahill has identified the key transformation in patterns of private-sector landholding in Britain during the course of the period in which public land has been relentlessly disposed of: the relative growth of corporate ownership.[2] While individuals, typically aristocrats, today still own large estates, so now also do a wide variety of large capitalist firms, including the aforementioned grocery retail giants. This development was already in evidence when the neoliberal period began – indeed, it had become significant enough for Massey and Catalano, in 1978,

to devote chapters to industry and finance capital, alongside one on the aristocracy, in their seminal study of private landowners in pre-Thatcherite Britain; but it has intensified markedly in the decades since, as public bodies have offered up land for sale.[3]

Who, then, are the corporate actors that have benefited most from the land-privatization bonanza? Two recent analyses provide very clear indications. One lists the fifty private companies that together own over a million acres (around 400,000 hectares) of land in England and Wales.[4] The other lists the 100 corporate bodies – including, in this case, some public bodies, such as local authorities – with the largest landholdings by area in London.[5]

If we take the London list first, while the effects of the pattern described by the GLC in the mid 1980s are still clear – three major retailers, in Tesco (19th), John Lewis/Waitrose (54th) and Walmart/Asda (89th) feature in the top hundred – other types of owners have since surged to the forefront. Three categories, which to a certain extent bleed into one another, stand out when one peruses the list. The first is large property developers. No fewer than five of the top twenty corporate landowners in the capital are now self-described developers: Canary Wharf Group Investment Holdings (1st), SEGRO (8th), British Land Company (9th), Land Securities Group (12th), and Grosvenor (20th). The second category is overseas sovereign wealth funds: the government of Kuwait stands at 16th in the list, while the Qatari Investment Authority owns 50 per cent of the Canary Wharf Group, as well as other London land. And the third category is non-developer financial institutions. One such is Brookfield Asset Management, which co-owns the Canary Wharf Group. As many as six other financial investment groups make the top twenty: Aviva (4th), BNP Paribas (5th), Legal & General (7th), the Royal London Mutual Insurance Society (11th), the London and Amsterdam Trust Company (17th) and WGTC Nominees (18th). Indeed, if one subtracts these three categories and public bodies and the Crown Estate, then only one other company makes the top twenty: Tesco. As the public sector has sold London land, in short, it has primarily been bought by developers and investors. It is, to that extent, an extremely straightforward story.

At the national scale, at least across England and Wales, we see some different patterns, but also some very similar ones. One of the main differences, and not a very surprising one, is the much greater ongoing

presence of large aristocratic estates (including grouse moors), or at least those that are held by companies rather than private individuals; being predominantly rural, these estates, which pre-dated the neoliberal land-privatization programme and have not grown materially as a result of it, do not feature to anything like the same extent on the London list. A second difference is the greater presence of former public enterprises. No fewer than eight of the fifty private companies collectively owning more than a million acres are former water utilities, three of which (United Utilities, Welsh Water, and Yorkshire Water) occupy the top three spots. Also on the national list are electricity network providers and the property wing of what was once UK Coal. Land, of course, was part-and-parcel of the enterprise privatizations that seeded these companies. But what of companies in the top fifty that have built landholdings by acquiring privatized land rather than themselves being privatized? The one notable presence in this category on the national list but not the London list is mining and quarrying companies – MRH Minerals and Lafarge, for example, are both in the top ten. The one notable category that is prominent in the capital but not outside it is financial institutions; only one, the Rathbone Trust Company, features in the national top fifty. Otherwise, however, this category – corporate buyers of surplus public land – looks similar at the national level to how it does in London. It is dominated by property developers-cum-housebuilders: Albanwise, Peel Estates, Taylor Wimpey and the like. And with the government's ongoing land-disposal programme focusing squarely on sales for housebuilding, thus privileging developers to the exclusion of all other possible buyers, we can expect to see this trend continue.

Keeping in mind this overview of how public-land disposal has reshaped private landownership patterns, what can we say of its principal consequences?

Land banking

Given the remarkably slow progress made by Britain's housebuilders in producing new homes on land released to them in recent years by the state, and the empirical bankruptcy of the familiar argument that a cumbersome planning system is to blame for this sluggishness, where does the primary responsibility for it in fact lie? The answer, I suggest, appears to be with the housebuilders themselves, and especially with their practices of land-banking – or, to use the language more characteristic of discussions of the public

sector, land-hoarding (see Chapter 3). Specifically: land that, prior to disposal, was *perhaps* being hoarded by the state, is most certainly now being hoarded by the private sector. This, then, is the first of the three main consequences of land privatization in contemporary Britain.

In one sense, land-banking is simply the mirror-image of homes not being built: if homes are not built on permissioned land acquired by developers, then by definition that land becomes part of their bank. But it is important, for all sorts of reasons, not to think about land banking only in this 'negative' sense, as the passive and dependent outcome of something else that is *not* done. It is important to think of it instead as something that is actively done – in terms, that is to say, of developers consciously, strategically deciding to bank land rather than build on it.

The evidence that they have been doing so with recently disposed public-sector land in Britain is compelling. As this land has been sold to developer interests, especially since the beginning of the government's public land-for-housing programme in 2011, land banks have grown accordingly. These banks are generally segmented into two components. Housebuilders' 'current' or short-term banks, which are the ones they generally disclose, contain land that has, or is very close to receiving, planning permission. Land in their 'strategic' banks differs in two respects: first, it typically does not have planning permission, though, as Matt Griffith writes, it 'may become developable through the planning system in the medium to long term'; and second, it is usually, but not always, held under option rather than being owned outright (see Chapter 3).[1] An influential 2008 report by the Office of Fair Trading (OFT) estimated that over 80 per cent of land controlled by Britain's major housebuilders sat in their strategic, rather than current, land banks.[2] These banks are considerably more opaque than builders' current banks. For one thing, their size is disclosed far less regularly. For another, these disclosures are much less reliable – not all options, for instance, are recorded in strategic land banks.[3] As a result, in attempting to track changes in the size of builders' land banks over time, we need to focus on their current banks, where the data are more readily available and probably more meaningful.[4]

These data show a dramatic increase in land-banking in recent years. The most common way of quantifying the size of a land bank is in terms of the number of years of housing supply or production at prevailing build-out rates

– that is, the number of plots in the bank, divided by the number of plots completed in the previous twelve months. Back in 2006, research by the Royal Town Planning Institute showed an average of 2.8 years land supply with implementable planning consent.[1] The following year, the House Builders Federation collected data from twenty-one of the top UK housebuilding companies, finding that the average number of years of supply in the builders' current banks was actually slightly lower – 2.5 years.[2] And the year after that, sixteen of Britain's top twenty-five housebuilders provided information about their land banks to the OFT, which estimated that, for these builders, the average current land bank contained a little over three years' worth of supply.[3] The OFT was relatively circumspect about the prevailing direction of travel in the magnitude of these banks – it merely noted 'some evidence that landbanks have been increasing in recent years' – but it is clear how things have progressed since then.[4] In 2014, Sir Michael Lyons reported in his Housing Review that Britain's major housebuilders were 'currently sitting at around 4 to 5 years of supply at recent completion rates'.[5] And more recently, in December 2016, the housing charity Shelter reported on the state of play in land banking at Britain's ten biggest builders. Their short-term banks ranged in size from four to ten years' worth of supply, averaging out at six years.[6] Current land banks had more than doubled in size, in other words, since 2006–2007 – those years coinciding, of course, with a concerted effort by the government to release public land for home-building with planning permission in place.

Why land privatization has coincided with mushrooming private-sector land banks, patently contributing to this growth if not exclusively causing it, is hard to say. Land banking is a complex affair, belying crude and simplistic generalizations. All reasonable commentators accept that housebuilders need to maintain a substantial stock of developable sites to draw upon in order ride out the vagaries of the development and construction business. Banking is, as Griffith says, an important 'mechanism through which developers try to cope with the risk and uncertainty involved in the development process'.[1] Housebuilders clearly require a development pipeline. They cannot thrive, or perhaps even survive, on a hand-to-mouth basis. There must be a time-lag of some duration between the acquisition of land and its being built-out. Building requires considerable planning and preparation, and it would be absurd to suggest that developers should operate on the basis that, on the day

they plan to start building, the land they need to do so will reliably, magically materialize. They need to know in advance that they will have it.[2]

But none of this begins to explain why Britain's housebuilders should have seen fit to pad their land banks in the way, and to the extent, that they have since 2008. To be sure, the financial crisis of 2007–08 was a shock to the development and housebuilding system, but that shock should have been well and truly processed long before now, with more stable market conditions having returned sooner than many observers initially expected. So the answer is probably less comfortable.[3] As I noted in Chapter 3, holding back land from development helps to keep house prices high; building too rapidly risks upsetting a supply–demand equation that, with the latter consistently outstripping the former, has favoured the British property development sector for more than two decades. And banked land 'works' for developers in other profitable ways, too. Not only does it keep supply below demand, but developers can make money from it by speculating on future changes in its value within what is, as we have seen, a volatile land market. Indeed, plenty of observers have noted that land-market speculation of various kinds is at least as central to the business model of major British housebuilders as is building itself. When, in 2007, John Callcutt wrote that '[i]dentifying, acquiring, preparing, developing and selling land (with houses on it) is the key activity of all housebuilding companies', the parentheses he used were highly apposite: having houses on land is by no means necessary to housebuilders making money from that land.[1] 'Larger UK house-builders', Griffith subsequently noted, 'have become more focused on land trading and adding value through the planning system than the actual business of building houses.'[2] Indeed, we have encountered an example of precisely this skewed commercial focus earlier in the chapter: the profits achieved by property companies on land acquisitions from the defence estate where the MoD failed to insert overage or clawback clauses had nothing to do with actual construction. These were trading and planning system-based profits, where the companies in question 'made millions of pounds by buying land from the MoD and applying for planning permission, before selling on the sites. In several cases, no building occurred before the resale; on other sites, no development at all has occurred years after the original sales'.[3] The key point for our purposes is that land banks are the essential grist of this profitable non-construction activity.

When the Cameron government embarked on the first phase of its public land-for-housing programme in 2011, it was perhaps understandable that speculative land-banking was not considered a concern, and thus that actual commitments to building houses were not made a condition of sale. Both the Callcutt and OFT reports had come to relatively benign conclusions about land-banking: it was a necessary part of the housebuilding business, and not, at that point, a cause for concern. But by 2015, when the second phase of the programme was launched, and still with no strings attached, it was clear that nothing like the expected number of houses was being built, and that land banks were getting bigger and bigger. Indeed, Lyons, in 2014, had explicitly warned that 'aims will not be achieved if our approach to public land is simply to sell it as quickly as possible or at lower than market value in pursuit of higher housing numbers' (which, through the risk-mitigation mechanisms discussed in Chapter 4, is what the government has arguably been doing). 'Not only would that deliver poor value to the tax payer for a valuable public asset, but', Lyons, prophetically, maintained, 'it would also … run the risk of simply transferring land from a public sector land bank to a private sector one.'[1] And that, as we have seen, is exactly what has happened. Only in November 2017, long after it had become apparent to all market observers that something was awry, did the government finally concede that there might indeed be a problem, with the chancellor of the exchequer using his budget speech to announce an 'urgent' review into 'the gap between planning permissions and housing starts' – a review to be chaired by Sir Oliver Letwin, in process at the time of this writing, and one being widely interpreted and referred to as a review of land banking.[2] 'There is', admitted the then housing secretary Sajid Javid in January 2018, better late than never but nonetheless in something of an understatement, 'definitely some hoarding of land by developers'.[3]

Rentier capitalism

You will recall this passage from Adam Smith's *Wealth of Nations*, cited in Chapter 1:

> As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce. The wood of the forest, the grass of the field, and all the natural fruits of the earth, which, when land was in common, cost the labourer only the trouble of gathering them, come, even to him, to have an additional price fixed upon

> them. He must then pay for the licence to gather them; and must give up to the landlord a portion of what his labour either collects or produces. This portion, or, what comes to the same thing, the price of this portion, constitutes the rent of land.[1]

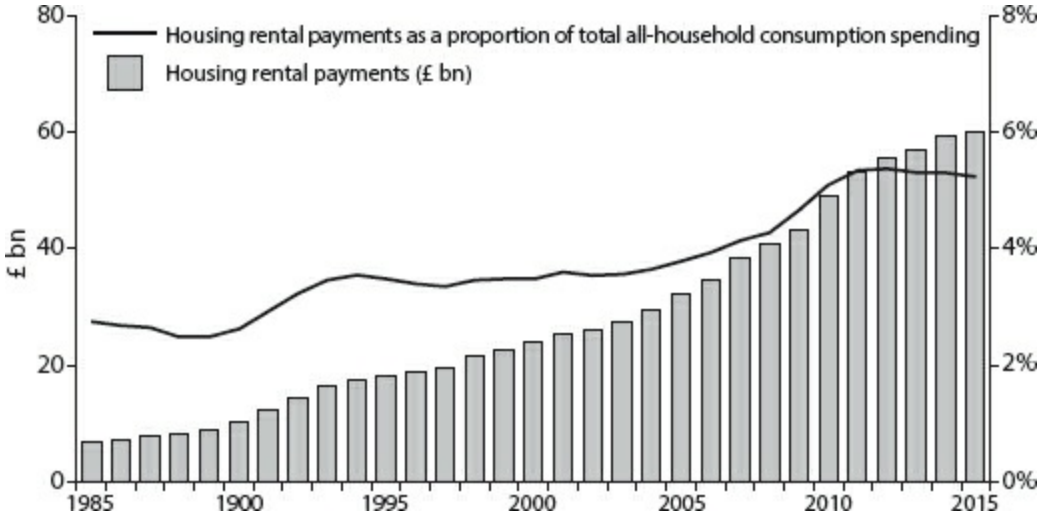
Smith's point, or at least one of them, was that, as the proportion of land in private ownership increases, the renting of land becomes an increasingly important – and, in Smith's view, increasingly distorting – economic phenomenon. Although he did not have a name for it, he was gesturing at a type of capitalism where rent becomes unusually, and indeed problematically, material. In the centuries since Smith was writing, economic commentators, drawing as much on Marx as on Smith, have alighted on a term that captures well what Smith was getting at: 'rentier capitalism'.[2]

The privatization of public land in Britain under neoliberalism has, I suggest, helped turn it into a rentier-capitalist economy. As more and more of the land has become private property, the landlords, as Smith would have predicted, have demanded more and more rent for its produce, 'natural' or otherwise.

Housing and the land on which it sits represent a prime example of this trend, in which the 'produce' in question corresponds to social reproduction. Figure 5.5 charts total annual housing rent payments by UK households from 1985 through to 2015.[1] These increased at a rapid compound annual growth rate of some 7.5 per cent in nominal terms and 4.5 per cent in real terms. More strikingly still, as a proportion of total all-household consumption expenditures, housing rent payments, as the chart also shows, doubled from approximately 2.5 per cent in the late 1980s to over 5 per cent in recent years (overall consumption spending having grown at a slower real compound annual rate of 2.3 per cent).[2] Today, moreover, a slightly lower proportion of UK households are renting than they were in 1985. In 1985, 38.4 per cent of UK dwellings were rented; in 2014, the latest year for which official government data are available, the equivalent figure was 36.7 per cent.[3] In other words, four-and-a-half times the money in real, absolute terms, and double the money in relative terms (relative to all households' total expenditure), is being expended on an item (rented housing) consumed by a slightly *lower* percentage of the population. It is therefore entirely unsurprising that while for the richest members of the UK population, very few of whom are renters, the proportion of final income spent on housing actually declined between 1985 and 2015, for the poorest 5 per cent of the

population – essentially all of whom, by definition, rent – this proportion increased dramatically: from just under 25 per cent to just under 45 per cent.[4] This is social dislocation – to which I shortly turn in more detail – writ large. And a – perhaps the – key pertinent difference between 1985 and 2015, of course, is that much of the housing and land on which this more-than-quadrupled quantum of rent is being paid has shifted from public to private ownership. In 1985, less than a quarter of rented dwellings were privately owned; by 2014, more than half were. So this, I suppose, is 'market efficiency' in action. The long-term result of Right to Buy has not been to lift owner-occupancy rates – at the time of writing, they are probably about the same as in 1985 – but rather to increase, massively, the cost of renting. *As soon as the land of any country has all become private property …*

Figure 5.5 UK annual housing rental payments, 1985–2015



Source: Office for National Statistics

The growing economic importance of rent was impressed forcefully upon observers in 2006, when the ONS reported to the government on the question of which industries had contributed most to UK economic growth since the beginning of the 1990s (specifically, from 1992 to 2004). In absolute terms, the single biggest contributor was 'Letting of dwellings' (including imputed rental income of owner-occupied dwellings), the gross value added (GVA) of which activity had jumped from £38 billion in 1992 to £83 billion in 2004. Even 'Banking and finance', the contribution of which had grown by £35.5

billion over the same period, was left trailing in rent's wake.[1] Commentators were withering in their assessment of what this statistic said about the UK economy – none more so than the *Guardian*'s Patrick Collinson:

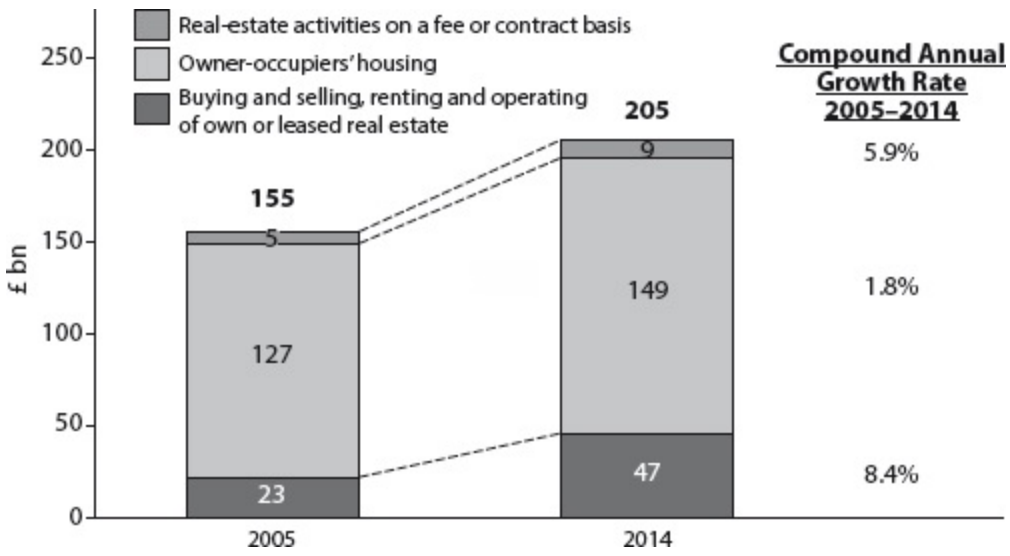
> The government has looked back over the past fifteen years to determine what have been the biggest contributors to Britain's economic growth, which the Chancellor tirelessly [tells] us has outstripped all our competitors. So what has helped our economy grow so wondrously? The answer [is] the rise of the landlord class … In modern Britain, it seems, putting up the rent is somehow regarded as economic growth. The US dominates in technology, Germany makes millions of cars, Japan still makes consumer electronics. Britain produces buy-to-let landlords. How our competitors must envy our economic success.[1]

The period since then has, if anything, been even more revealing, partly because the ONS has changed the way it categorises the real estate sector. For the period 1992–2004, there were two real estate subcategories: 'Letting of dwellings' (with its market-leading £45 billion GVA growth) and 'Owning and dealing in real estate' (which itself delivered a GVA gain of £15.2 billion in that twelve-year period). Now, however, we have three subcategories. The first is 'Buying and selling, renting and operating of own or leased real estate', which includes rent and certain other income from non-residential real estate activities (formerly part of 'Owning and dealing in real estate') but excludes imputed rental income from owner-occupied dwellings. The latter is now a subcategory by itself. And the third subcategory, in which rent plays no part, is 'Real estate activities on a fee or contract basis' (also formerly included in 'Owning and dealing in real estate').

Figure 5.6 illustrates the key dynamics of the 2005–14 period on the basis of this new categorization. Once again, looking at the economy as a whole, the real estate sector delivered the biggest gain in GVA; indeed, its total GVA increment of £50 billion (an average increase of £5 billion per annum, exactly the same as for 1992–2004, when the two real estate subcategories grew GVA by a combined £60 billion) was *more than double that of any other industry sector*.[2] Indeed, real estate, dominated by rent, remains in first place in the GVA growth rankings even when the imputed rental income of owner-occupied dwellings (the GVA of which increased by £22 billion) is stripped out; the strongest growth, in both absolute and relative terms, was provided by the first subcategory. In short, rent – whether on residential or non-residential real estate – remains the primary source of economic 'growth' in

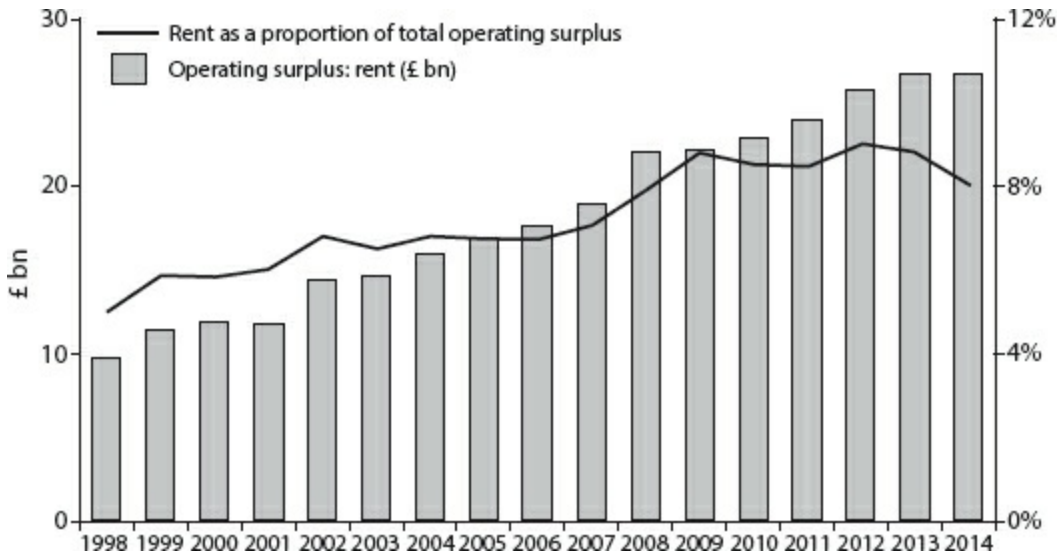
the United Kingdom. Within the mix, Figure 5.7 demonstrates the growing significance of rent specifically to UK private-sector companies, which, being largely absent from the residential rental market – accounted for by the ONS primarily within the household sector, with its legion buy-to-let landlords – generate rents largely from non-residential land and property. As the chart shows, the proportion of non-financial corporations' total operating surplus accounted for by rent has nearly doubled since 1998, with rental surpluses growing at a compound annual rate of 6.5 per cent.

Figure 5.6 UK real estate sector: gross value added by sub-category, 2005 and 2014



Source: Office for National Statistics

Figure 5.7 UK private non-financial corporations: operating surplus, 1998-2014



Source: Office for National Statistics

So if, as many scholars claim, Britain's has become an increasingly finance-dominated economy under neoliberalism, it has also unquestionably become an increasingly real estate- and (especially) rent-dominated economy. This is obviously not due solely to the large-scale privatization of land and property. But the latter has contributed substantially to the trend, feeding increasing quantities of commodified, landed grist into the rental mill. Of course, some might argue that the rentier economy, and the property privatization buttressing its growth, has been a godsend: Where would the United Kingdom economy be without the growth that rentierism has provided? But there is, needless to say, a counter-argument, to the effect that real estate and rentierism are the reason why the country's other economic sectors have not grown as strongly as they otherwise would have done: increasing quantities of the surplus they generate have been siphoned off by landlords in the form of rent. For my part, I do not know which of these alternative readings is the 'correct' one. But I have a fairly good idea which one Smith would have thrown his weight behind.

In any event, the consequences of Britain's transformation into an increasingly rentier-type economy are, inevitably, visible in the ongoing centrality of land to the wealth held by Britain's leading capitalists. In the late 1970s, no other form of wealth was as heavily concentrated in the hands of Britain's richest individuals as land was (see Chapter 1). Today, after nearly four decades of land privatization, the significance of land to patterns of

wealth concentration is equally evident, if not more so. The publication of the *Sunday Times* rich list, in May 2017, underscored this fact with particular force. It revealed, observed Alice Martin, 'that a staggering 26 of the top 100 richest people in the country have property listed as a major source of their wealth. That dwarfs the other biggest sources. Just six of the top 100 made their money from industry, and seven from retail. Finance and investment have 10 entries apiece.'[1] Such, one might say, is the personification of rentier capitalism. 'Let's talk about the real money', George Monbiot wrote in 2014. 'The Westminster government claims to champion an entrepreneurial society, of wealth creators and hard-working families, but the real rewards and incentives are for rent.'[1] In privatizing public land, successive neoliberal British governments have merely redoubled those rewards and incentives, and thus actively reinforced rentier dynamics. The country is reaping the consequences.

Social dislocation

Alongside Adam Smith, another influential figure whose understanding of land commodification and its implications I discussed in Chapter 1 was Karl Polanyi. And although Polanyi was keenly aware of the economic implications of making land a commodity and subjecting it to market forces, he was more interested in the social implications. Dis-embed land from its social integument by making a market in it, Polanyi claimed, and trouble is never far away. Because private owners tend to exploit land according to profit motives rather than with a view to sustaining the communities that depend upon it, all manner of social ills arise.

In the case of the privatization of public land in modern Britain, Polanyian social dystopia is as plain to see as Smithian economic rentierism. There are countless examples of society suffering explicitly as a result of the state selling land to the private sector – thus making a commodity of something that is not, in Polanyian terms, a commodity – and of the private sector following its true nature, by trying to maximize profit from commercialization of that commodity.

Such social dislocation can be explained primarily in terms of the nature of the private sector's preferred uses of the land it acquires from the state. Here, a particularly powerful example concerns the Ministry of Defence family accommodation sold to Annington Homes in 1996 (see above). In 2012, Annington, and with it the ex-Ministry land and property, was acquired

by the private equity firm Terra Firma. In 2015, one part of the estate, Sweets Way in north London, became national headline news. Because some of the homes on Sweets Way had been vacant, they had been leased by a London housing association, the Notting Hill Housing Group, to accommodate people on the London Borough of Barnet's housing waiting list. But in March 2015 Terra Firma announced that the site would be demolished and redeveloped – a far more profitable option. This led to six months of evictions accompanied by protests on the part of housing activists, the last remaining tenant – a disabled father of four – being evicted in September of that year.[1] To rub salt into the social wounds, it transpired that Terra Firma was owned by a company registered offshore, and run by the high-profile tax exile and former Goldman Sachs banker, Guy Hands.

Predictably, all of the criticism that the Sweets Way evictions and proposed redevelopment elicited focused on Terra Firma's role. The firm was, people said, behaving irresponsibly, putting profit before people. But while I am sympathetic to this critique, it seems to me to miss the more important point, certainly when these events are viewed historically in the round. Nobody had much to say about how Annington had acquired the property in the first place, and why it had been sold by the government. Terra Firma is a capitalist firm: to criticize it for behaving according to the dictates of capitalism is at best naive. Our criticism, surely, should be directed as well – perhaps even instead – at a government that privatizes public land and, without imposing strict rules about what can and cannot subsequently be done with it, expects these sorts of socially deleterious outcomes not to occur. If you privatize public land, and thus turn it into a commodity, the private sector will – of course – treat it as a commodity like any other. Eviction of 'low value' tenants, Polanyi might have said, is precisely the type of outcome one would expect. It is the economically 'rational' use of a resource whose commodification is socially irrational.

Indeed, it is equally short- sighted to offer blanket criticism of developers for building no more than the bare minimum number of affordable homes required by planning guidelines to secure planning permission on land acquired from the government.[2] Where they have to pay full market price for the land (in other words, where they do not receive the types of subsidies discussed in Chapter 4), it is economically irrational for developers to make more than the minimum required number of homes affordable, inasmuch as the land price will, in theory at least, reflect the revenues that can be achieved

by charging the full market price for the maximum allowable number of homes built. That is how a market system, marginally refracted in this case through a state planning framework, works. We can and should criticize this system, to be sure; but this is not the same as criticizing individual market actors for behaving as market actors.

Criticism of developers who fail to build meaningful numbers of affordable homes on formerly public land, and of the public bodies who sell them that land without imposing socially beneficial obligations, is much more explicable when full market price has not been paid. This appears to have been the case with several of the redevelopments of 'surplus' council estates into 'city villages' in London (see Chapter 3) – redevelopments numbering far in excess of 200 at the time of this writing, if one includes estates 'under threat of, currently undergoing, or which have recently undergone privatisation'.[1] A prime example is the redevelopment of the Heygate Estate in south London. Home to over 3,000 people, the 23-acre site was sold to the developer Lend Lease in 2010 for just £50 million – 'a shockingly low amount for the size of the land the estate lies on', as one observer noted.[2] Heygate is an exemplary case of Polanyian social dislocation. Existing residents were 'decanted', sometimes to locations far from London, at a cost to Southwark Council of a staggering £44 million, and using the council's compulsory purchase powers (and in at least one case, bailiffs) to force out flat owners who did not want to sell; the estate was demolished in 2014; and, crucially, many of the people who lived there will not be able to return – for Heygate Estate, with 1,194 social-rented flats (that is, council housing units), will eventually arise Phoenix-like from the ashes as plush, luxurious 'Elephant Park', with just 82.[1] No wonder critics describe what is happening at Heygate and elsewhere in London as 'social cleansing'.[2] And the privatization of public land is integral to it.

In any event, if social dislocation arises from what the private sector actually does with ex-public land, it clearly also results then from the private sector failing to do what the public sector can do with it – and, before disposal, frequently did. The provision of genuinely affordable housing represents a case in point. Dislocation results, that is to say, from 'market failure' (see Chapter 1). Some land uses, such as the development of luxury housing in London, are highly profitable, and thus the private sector readily delivers them, just as it is doing at Sweets Way and Elephant Park. But other

uses may not be, and in these cases the market generally ‘fails’: it does not supply a land use for which there is nonetheless demand, because that land use does not pay or cannot be made to do so. Where the failure to deliver this land use has negative social consequences, social dislocation can be said to have occurred.

In the context of ex-public land in contemporary Britain, perhaps the most commonly cited example of such market failure – alongside that relating to affordable housing – is the failure of the private sector to provide truly public, freely accessible public space with the land it has acquired. Space, like the land itself, becomes privatized, subject to restrictions of various types on access and use. A decade ago the journalist Anna Minton published a hard-hitting critique of the creeping privatization of British public spaces. Identifying London’s Broadgate and Canary Wharf, both of which had previously been public land, as prominent early examples of ‘private ownership of public space under a single landlord’, Minton claimed that these ‘private–public’ places – privately owned, but professing to offer public space – were ‘sterile, uniform places, which inhibit genuine public access and lack the diversity and humanity of traditional street life, while also displacing social problems into neighbouring ghettoised enclaves’.[1]

To understand why this particular form of socially dislocating market failure occurs, it helps to understand why the private sector would use land for the provision of quasi-public space in the first place. ‘Investors and developers’, the Planning and Housing Committee of the Greater London Authority (GLA) explained in a report on London’s public space, see public space of some sort as ‘integral to the success and value of their sites’.[2] But this must be not just any type of public space: the quality of such space is deemed crucial. ‘Commercial developers’, another well-known journalist, Will Hutton, has observed, ‘want to be free to configure where we walk, what we visit and who has access because thus they can maximise sales per square foot of shopping and rents’.[3] And this, the GLA Committee said, can lead private owners ‘to apply codes of conduct that are, for many people, inappropriately restrictive … Many of these restrictions range from the precautionary and unnecessary to the total exclusion of all but a privileged few – hardly in the spirit of democracy and inclusion’. The Committee provided examples. At one London site, ‘signage is displayed listing behaviour that is not acceptable; estate employees man the site and will speak to individuals involved in behaviour that is deemed unacceptable’; at another,

‘overzealous security guards often prevent photography even of people photographing each other in the space.’ In short, the Committee found: ‘Privately managed space tends to impose a different set of rules from those applying to spaces in public ownership.’[4] It is notable that the government has recently taken forceful steps to aid and abet the private sector’s efforts to limit public access and rights to use ex-public land. The 2015 Infrastructure Act (see Chapter 4) extends to public land acquired by the GLA or the Homes and Communities Agency for the purposes of disposal the state’s powers both to override easements (rights of use over another’s property) and to extinguish public rights of way.[1]

The politics of privatized ‘public space’ are complex and combustible. It does not help when, as in London, ‘even the most visible emblem of local democracy is’, as Jeevan Vasagar says, ‘in private hands. City Hall and the surrounding pedestrian area on the Thames is owned by More London and run as a “managed estate” with its own private security.’[2] In these formerly public, now privately owned public spaces, one activity whose surveillance and handling proves particularly sensitive – and for which public spaces have always provided an essential infrastructure – is public protest. Private owners are often considerably less tolerant of protest – especially, of course, when the protest is directed specifically against them. Occupy London protestors discovered this in 2011. Vasagar describes how campaigners for London’s Living Wage have also faced these explicitly spatial obstacles to protest.[3]

Of course, market failure, in the shape here of the private sector not providing certain socially beneficial uses or services with land acquired from the state, would be less of a problem if the public sector still provided those things. But some land uses simply cannot be replicated elsewhere. They are literally confined to, or embedded in, the particular parcel of land that is sold; and when the land is sold the use – and the social value associated with it – disappears. A poignant example from recent years concerns MoD land at Shorncliffe, in Folkestone on the south coast, sold to the housebuilder Taylor Wimpey in 2015. Shorncliffe is an especially important site in relation to Canadian involvement in World War I: many of the Canadian soldiers who fought in the war trained at Shorncliffe, and over half of the war graves in the local military cemetery contain Canadians. An article about the proposed redevelopment in Canada’s *Globe and Mail* newspaper spoke of the Shorncliffe site’s ‘deep, abiding connection with Canada’.[1] ‘If this was any

other brownfield site it wouldn't be a problem', one local campaigner against the sale said, 'but this is of major significance to thousands of Canadians who want to see where their great-grandfathers fought, they want to walk in their footsteps.'[2] 'We get one chance', said another. 'Once it's gone, it's gone. The heritage has gone.'[3]

In principle, many land uses whose loss is lamented by society when public land is sold can be replicated elsewhere. The MoD's Shorncliffe site, for instance, had for fifteen years prior to its disposal been extensively used by BMX bikers and dog walkers, who also protested the sale – and Shorncliffe is clearly not the only place where bikes can be ridden or dogs walked. But the 'in principle' caveat is a vital one. To say that uses that disappear or become unduly constrained when land is privatized can be transferred to sites remaining in public ownership is to assume that the state not only owns sufficient land locally to accommodate those uses, but that it has the necessary resources to maintain that land in the way required to support the uses in question – not all uses are as resource-independent as dog-walking, after all. And as more and more public land is sold, needless to say, the stock of remaining accessible public land available to accommodate land uses eschewed by the private sector inevitably shrinks. The example of public protest, the possibility of which is so crucial to the health of a society, makes this point clear in strikingly spatial terms. A campaigner for London Citizens, the community organisation behind the Living Wage campaign, explained how the privatization of Canary Wharf has more or less exhausted the local geographical potential for protest:

> [The security staff] let us stay but made it very clear that every piece of land on Canary Wharf apart from the 50 yards outside the Jubilee line station [is private]. That's public land and whenever there is a demonstration about anything on Canary Wharf it is on that piece of land – they are directed to a little plot.[1]

Social dislocation therefore results not just from what the private sector does, and does not do, with privatized land; it results also from the loss to the public sector of the land required for it to do those things instead. Some of the more astute observers of land privatization in Britain have made this exact point. Worrying about the government's persistent zeal for selling 'surplus' public land, and especially the land of the long-embattled NHS – 'it is hard to find any reference to the NHS, whether in newspapers, strategic plans, or think tank proposals, that doesn't include a recommendation to sell-off the

land and assets' – Deborah Harrington argued in 2015 that, in making disposals, the state directly compromises its own future ability to deliver the services it is charged by the public with delivering. 'The government claims it wants to sell capital assets to pay off debt or pay running costs', Harrington wrote. 'But the sale is undermining any future potential for developing public ownership or public delivery.'[2]

And the damage, for the most part, has already been done. The provision of schooling is one example. 'The very same councils that flogged off their prized school buildings', Michael Rosen recently noted, are now 'forced to squeeze children into overcrowded schools elsewhere in their districts.'[3] Or, if even this sticking-plaster solution does not work, the state is compelled to acquire – sometimes reacquire – the land it needs. It has been doing just this in those parts of the country where demand for school places outstrips supply. And, just as the private sector can smell a forced land-seller a mile away (see Chapter 4), so it can smell, and exploit, a forced land-buyer. The obvious result is that the government pays well over the odds. This has been happening in relation to the large-scale acquisition by the Education Funding Agency (EFA) of land and buildings for new government-funded free schools – a spree necessitated by decades of local-authority land privatization. The Public Accounts Committee has estimated that the EFA has paid above market value in 60 per cent of cases – some purchased sites, moreover, later being deemed unsuitable to turn into schools. 'The Education Funding Agency is one of the biggest purchasers of land in the country – and it keeps paying over the odds', said the Committee's chair. 'People see the EFA coming. The desire to build 500 new free schools by 2020 means there is a rush to secure sites … It is a real worry and not getting value for money for the taxpayer.'[1]

But the service whose public provision has surely been most damagingly compromised by nearly four decades of land privatization in Britain, and where it is now clear for all to see that the private sector has comprehensively failed to pick up the slack, is housing – particularly affordable housing. In a recent study of why so few local authorities today are substantively engaged in the delivery of housing, Janice Morphet and Ben Clifford delivered an incredibly telling and incredibly depressing finding: the problem is not just a lack of funds (see Chapter 3), but a lack of an arguably even more fundamental resource: land. Indeed, lack of land was the single 'highest-rated reason from survey respondents for their authority not engaging in housing

delivery', cited by nearly 90 per cent.[2] After four decades of incessant pressure to sell their land, many local authorities simply no longer have the land they need to build housing, which is something that most want, and feel they are in principle able, to do – Morphet and Clifford finding 'a growing appetite and capacity in local authorities to return to or increase their roles in providing housing as a core function'.[3]

As I discussed earlier in this chapter, some local authorities, in the face of a mounting housing crisis, have latterly begun buying back ex-council houses, at a significant financial loss. Denuded of the necessary land to build housing, as well as schools, some councils, such as Enfield, have also recently been (re)acquiring land for the purposes of new housing development, usually – as in Enfield's case – in partnership with private-sector developers.[1] As if that were not enough, the government's February 2017 housing White Paper raised the prospect of giving local authorities enhanced compulsory purchase powers to buy back from housebuilders ex-public land on which the latter were failing to build. ('A solid start to tackling Britain's housing crisis', the *Financial Times* crowed.)[2] Its May 2017 general election manifesto made similar noises about reforming compulsory purchase powers, for similar purposes, and in his November budget the Chancellor announced a first step – the Homes and Communities Agency would get new compulsory purchase powers 'to help support local authorities and developers to deliver new housing and infrastructure'.[3] All of this, needless to say, without a word about the decades-long history of public-land disposal that has put the state in the absurd position of having to contemplate the substantial, forced and costly (re)purchase of land.[4] I cannot have been the only one to have had their breath literally taken away by Prime Minister Theresa May's promise of 'a new generation of council houses to help fix our broken housing market' *in the very same speech*, to the Tory party conference in October 2017, in which she also pledged to ensure councils 'release more land for housing' to the private sector.[1] Nevertheless, none of the vast commentary on the speech, including by so-called housing experts, mentioned this manifest contradiction. And so here we are, left desperately wondering how public bodies can affordably reacquire the land they need to discharge the basic functions society still requires them to fulfil. If these despairing appeals to the powers of compulsory purchase do not signal the abject failure of the land-privatization programme – a perverse recognition

that, in selling its land, the government has been going about housing and broader land policy in completely the wrong way – then I do not know what would.

CONCLUSION

Where Now?

Privatization, the late Margaret Thatcher wrote in her memoirs, must be ‘at the centre of any programme of reclaiming territory for freedom’, and since acceding to power in 1979 she and subsequent British prime ministers have been as good as her word.[1] She meant ‘territory’ metaphorically – reclaiming, in the face of ‘socialist’ collectivism, the broad political and economic conditions under which entrepreneurial individualism might be free to flourish; but, as I have shown in this book, she also meant it literally. The neoliberal reclamation programme alluded to and spearheaded by Thatcher has meant privatizing territory in the most literal sense possible: privatizing the land itself.

The scope of this particular component of the wider project of British privatization has never before been explicitly considered, but here it has been laid bare. Even if we exclude all the land that has disappeared with Britain’s ‘other’ privatizations, just over 1.6 million hectares – or about 8 per cent of the entire British land mass – have been transferred from public into private ownership since Thatcher came to power. If we add to this the land owned by the water utilities and the other formerly public enterprises now in private hands, the figure jumps to around 2 million hectares. That represents approximately half of all the land that was publicly owned when the 1970s drew to a close. Local authority landholdings, in particular, have been decimated, with around 60 per cent of the local government estate having

been ‘rationalized’. The result is that, today, only approximately 2.2 million hectares of public land remain.

I have argued that the results of this land privatization have been demonstrably negative (see Chapter 5), and perhaps unsurprisingly so given, firstly, what political-economic theory teaches us about the differences between public and private landownership and the likely ramifications of expanding the latter at the expense of the former (see Chapter 1); secondly, the questionable logic motivating the British privatization programme (see Chapter 3); and thirdly, the problematic ways in which this programme has been operationalized (see Chapter 4). I have used the concept of ‘enclosure’ to capture the broad tenor of land privatization in modern Britain because it evokes the last great programme of ‘privatization’ visited on Britain’s land and those dependent on it: namely when, in the eighteenth and nineteenth centuries, common rights to access and use – as opposed to the ownership of – the land were widely privatized. This evocation is fitting. The two episodes, though disconnected temporally, are connected ideologically: on each occasion, privatization has been justified on the grounds that existing forms of use and ownership are wasteful, and that private use and ownership are more productive. The episodes are also connected in terms of their outcomes: on each occasion, the land, and the potential fruits of its harvesting, have literally been enclosed.

Today, then, as in the eighteenth and nineteenth centuries, the people of Britain are increasingly being distanced – economically, socially and politically – from the land they inhabit. In today’s case, moreover, this is land that, through the mediating institution of the state, they also formerly owned. Landownership in Britain has over the past four decades become further concentrated in the hands of the capitalist class, which in its use of the land widely defies the ‘efficiency’ and ‘productiveness’ imputed to it by its ideological apologists. Land-banking is the most striking example of this defiance, and of course a deeply ironic one given the ‘hoarding’ critique so effectively levelled at the state in order to justify privatization in the first place. Meanwhile, as more and more of the land becomes private property, higher rents are levied for its use, and Britain’s economy becomes more and more dominated by these monopoly-based transfer payments. The ultimate consequences are not just economic, but increasingly social devastation. Britain’s is a deteriorating and dispirited socioeconomy, and historic trends in landownership during the neoliberal era are plainly integral to this sorry state

of affairs.

In his 1944 book *The Great Transformation*, the great Austro-Hungarian thinker Karl Polanyi argued, on the basis of his analysis of nineteenth-and early-twentieth-century history, that human societies tend to react forcefully to the privatization of land, to its treatment as a commodity to be bought and sold in markets, and to the negative outcomes that, as we have seen, often flow from such treatment.[1] Indeed, the first English enclosures were his prime example. People are liable, said Polanyi, to kick back against privatization and commodification. He described this type of forceful reaction as a 'counter-movement'.

Having read Polanyi before starting my research into land privatization in contemporary Britain, I was puzzled from the start by the evident absence of any real counter-movement. For the most part, Britain, by which I mean the British people, has quietly acquiesced to the loss of its own land – which, it bears repeating, is what public land is, insofar as it is collectively owned through representative democratic government. There have been no concerted and broadly based moves to decommodify the land, to 're-embed' it in non-market institutions, or even to provide the kinds of social protections against the depredations of enclosure that Polanyi associates with land-focused counter-movements. Any 'resistance', so to speak, has generally been highly localized – epitomized and energized by local campaign groups such as Our Ground in Liverpool.[2] Across the country, there are several examples of local people protesting specific cases of public land disposal, as they recently did successfully, for instance, in Nottingham, where Broxtowe borough council was persuaded to shelve its plan to sell Beeston town hall to developers.[1] Indeed, when I wrote an article in the *Guardian* earlier in 2018 about the scale of the British neoliberal land privatization programme at the national level, I was contacted by some such campaigners, who were interested to connect their nominally isolated local stories to a wider national trend of which, in all cases, they were unaware.[2] In another example of local campaigning, Architects for Social Housing, set up in 2015, is doing sterling work to publicize and protest the ongoing demolition of social housing and privatization of underlying housing land in London.[3] Although it has typically been ridden roughshod over, such localized resistance to land transfer-based council-estate redevelopments in the capital can sometimes bear fruit. In the past few years, perhaps the fiercest resistance has been to

Haringey Council's proposed Haringey Development Vehicle (HDV), which would see a minimum of 36 hectares of public land and property, including the Northumberland Park and Broadwater Farm estates, transferred into a 50–50 joint venture between the council and its development partner – which, as so often in these 'city villages' projects in London, is Lend Lease (see Chapters 3–5).[4] Local protests, led doggedly by groups such as StopHDV and Haringey £2bn Gamble, precipitated in January 2018 the unprecedented decision by the Labour Party's national executive committee to call on the council to reconsider its plans, which precipitated in turn the resignation of the council's leader and chief HDV champion, Claire Kober.[5] At the time of this writing, the HDV has not yet formally been abandoned, but it is generally assumed to be dead in the water.

Nevertheless, with a few notable exceptions, all such resistance to the privatization of British land has remained highly localized, and has not spread. The first exception concerns a campaign to 'Save Public Land' launched by the New Economics Foundation (NEF) in October 2017. NEF provided an online mapping tool enabling users to identify public land either for sale or recently sold in their area. It said it was 'exploring how the information can be used by community groups to take action'.[1] But herein lies the rub: NEF's initiative brings us back to the local, community level. In itself, this is not a problem. But there seems little prospect of NEF's campaign scaling into a meaningful, extra-local, widely visible and influential counter-movement, not least given that NEF itself is a relatively small think-tank with limited resources – it is no Institute of Economic Affairs – and a limited, niche audience. The same limitations apply to the comparable 'Save Our Spaces' campaign launched in June 2018 by the non-profit group Locality.[2] This is nominally also a national campaign, and Locality is also a national group. But its name is not incidental. It exists to support local, community-led organizations: any meaningful resistance engendered by its campaign is likely accordingly to remain similarly localized.

The final exception is of a different kind. It concerns the public forest estate. The Tories have long toyed with the idea of privatization both of the estate and of the Forestry Commission that manages it, with wholesale privatization probably coming closest to happening in the 1980s. This idea resurfaced most recently in 2010, when David Cameron's coalition

government announced plans to sell off a significant chunk of the estate. But the proposal met with what one observer described as an 'unprecedented barrage of criticism', and the government subsequently dropped the plan in what the same observer called the 'first major u-turn of the Coalition's time in office'.[3]

But we should not read too much into this opposition to, and successful blocking of, the proposed forest estate disposal. Not only was it an isolated case, but if a Polanyian counter-movement is characterized by concern with the social dislocations occasioned by the privatization and commodification of land, this was assuredly not evidence of one. The vast majority of the criticisms of the plan were made on environmental, not social grounds.[1] And they were primarily voiced by a particular class constituency – one enjoying both the luxury of attending to environmental concerns (and indeed of actually frequenting Britain's forests) without having to worry about too many social ones, and disproportionate power at the ballot box. 'It seems', as Guy Shrubsole recently remarked of the 2010–11 mini-protest against proposed pruning of the national forest estate, 'that when Middle England is asked the question, "whose forests?" the answer comes back loudly: "our forests!"'[2] A counter-movement with widely distributed support, both socially and geographically? This slap in the face for the Cameron administration was definitely not that. Throughout the decades-long programme of privatization of British public land of all types, such a counter-movement has, rather, singularly failed to materialize.

Why should this be? Why has there been no concerted pushback against this programme? Why is this such a striking counter-example to Polanyi's counter-movement theory? I think there are a number of reasons, connected to one another in important ways. The first is that public landownership is hardly a panacea – and, indeed, was never that in pre-1980s Britain. In presenting a critique of the privatization of land in contemporary Britain, the last thing I mean to suggest is that public landownership is always and everywhere unproblematic. It certainly was not in the Britain that Thatcher took control of in 1979. Various pieces of 1970s legislation, as Doreen Massey noted at the time, had compelled local authorities, in particular, to behave increasingly like property companies rather than the socially conscious bodies that people expected them to be (see Chapter 2). This engendered widespread public dissatisfaction with public landownership, reducing the likelihood of people protesting against the subsequent

dissolution of public landholdings. Britons have not mourned public landownership because, in many cases, they have not associated it with public benefit; they did not regard the land as genuinely, meaningfully, theirs.

The second significant reason for Britain's historic acquiescence is the Right to Buy – the longstanding scheme, introduced by the Thatcher administration, for council house tenants to buy their dwellings at significant discounts against market value (see Chapter 5). Thatcher's genius, conscious or otherwise, was to numb potential opposition to land privatization by making millions of people – and perhaps those most likely, all other things being equal, to be politically opposed to the programme – its direct individual beneficiaries. Increased private ownership of land, she effectively wagered, was liable to be more palatable to those who have a meaningful personal investment in such ownership; Britain's culture of private homeownership, strengthened if not created by Right to Buy, is at once a culture of private landownership. Thatcher, of course, made a comparable wager, equally successful, with the famous 1980s privatizations of British Telecom and British Gas, dispersed private ownership – this time of shares – being integral to the Tory strategy in those two cases, too. The fundamental lie both of those enterprise privatizations and of Right to Buy was the idea that more widely distributed ownership would do anything more than scratch the surface of entrenched patterns of inequality, in either financial or property wealth. It has not.[1]

A third important reason for the absence of a counter-movement has previously been alluded to by Robert Home. For much of the twentieth century, and indeed previously, landownership was a major issue in Britain both politically (see in Chapter 2) and for critical social-scientific scholarship – two domains that fed one another: scholars studied the political economy of land because people cared about it and elections were fought on it; politicians campaigned on landownership because academics showed them how important it was to the economy, society and polity. Academic research of the 1970s into landownership in Britain, fearlessly led by Massey, was, as Home observes, 'linked politically to post-war Labour governments' attempts to control development land'. But Thatcher's assumption of power in 1979 marked a turning-point with respect to landownership in more ways than one: 'The Conservative government of 1979–97', says Home, 'drove land ownership off political and academic agendas in the UK' – helped, needless to say, by the seductions of Right to Buy; and, crucially, 'the subsequent

Labour governments after 1997 did not restore it'.[1] Massey's own groundbreaking work of the 1970s on British landownership, in collaboration with Alejandrina Catalano, was carried out while she worked at the Centre for Environmental Studies in London, from which the Thatcher government withdrew funding before 1979 was out.[2] What had been a virtuous circle soon became a vicious one. Driving landownership off the political agenda helped drive it off the academic agenda: despite its being among her most original and brilliant contributions, Massey's work on landownership has largely sunk without trace.[3] Equally, driving landownership off the academic agenda helped drive it off the political agenda; people have failed to protest land privatization because, despite the enormous scale of the programme, it has never since been a politically visible issue.

And there are, fourthly, other reasons for the low visibility of – and hence the lack of impetus either to protest against or study – land privatization. It is, in the British context, a classic case of death by a thousand cuts. As I have shown, land privatization is not like other privatizations; it does not occur by way of a single, dramatic, unignorable event, such as the issue and listing of private shares in what was previously a public corporation. In the case of the British Gas privatization, nobody really needed to 'Tell Sid', as the famous advertising campaign urged – he already knew. The privatization of land in Britain has instead been a piecemeal and fragmented process. It has in fact involved tens of thousands of individual, local, isolated land privatizations, as hundreds of different public bodies have each sold anything from one to more than a thousand discrete sites. And because each individual disposal event is on average relatively small (though there have of course been some very large individual sales), it tends to go unnoticed. As the campaigners at Our Ground write:

> Most all privatisation schemes attract little interest in the press and media as public open space and park land gradually disappear over extended periods of time or usage changes in subtle ways. In rare circumstances a planning application is 'called in' for a Public or Local Enquiry but these are often balanced in favour of the commercial developer who have [sic] the financial resources to employ professional legal expertise.[1]

The piecemeal nature of this process has generally enabled land privatization to go under the social and scholarly radar. Most people in Britain simply do not know that land has been privatized; little chance, then,

of their resistance to this development. ‘This’, wrote Anna Minton – one of the few to notice – in 2006, ‘is a quiet revolution, but despite the lack of fanfare it nonetheless appears to be leaving us with what are increasingly coming to resemble Victorian patterns of landownership.’[2] And even where people have been aware that land is changing hands, there is no reason for them to know what this is likely to mean for them. Water bills and rail fares are tangible and manifest; the role and significance of landownership, by contrast, is poorly understood, even by those ostensibly trained to understand it.[3]

Indeed, it is not only the privatization of land that is poorly visible in Britain; it is also the related fact that the state was a significant landowner in the first place. Part of the reason why it has been relatively easy for successive governments to privatize so much land is that most people never knew that the state – and therefore, indirectly, they themselves – owned much land. Perhaps it would have been harder for privatization’s zealots to get their way if predecessor administrations had done a better job of explaining to the electorate, first, that the state does own land, and, second, how the government endeavours to use this land for the public good. But they did not – they did a generally wretched job. Public landownership, and its putative purposes, were therefore only very dimly visible to the general public when the neoliberal era began. This made it exceptionally vulnerable: people are much less likely to protest against a loss if they do not know they have something worth retaining. William deBuys recently made this exact point with regard to public land in the United States, which has not yet been on the receiving end of privatization. ‘The greatest vulnerability of America’s public lands’, he wrote, ‘is that the millions of their rightful owners scarcely know they exist.’[1] This was precisely the vulnerability exploited by Thatcher and her neoliberal successors in Britain.

A key aim of this book has therefore been simply to render visible not only the extent of public land that has been lost in Britain, but also – perhaps more importantly – the extent of public land that remains, and the problems that commonly arise from privatizing such land. For although vast amounts of public land have of course been sold, the amount still owned by the public sector – some 2.2 million hectares – is not insignificant. Consider the example of London. Recent research by the London Land Commission (see Chapter 4) indicates that roughly a quarter of land in Greater London, which

spreads across 157,000 hectares, is still publicly owned.[2] This is a substantial, extraordinarily valuable asset, in all senses of the word 'valuable'. Perhaps by making this land and the nature of its ownership more visible, while skewering the myth that public ownership is by definition wasted or 'inefficient' ownership, this book might contribute in some small way to making it less vulnerable than public land in Britain has in recent decades clearly been.

This matters, because the threat to Britain's remaining public land is patently a real, live one. Currently on the block (for the second time, having previously been privatized and then renationalized) we find Network Rail's commercial property estate, containing some 5,500 premises across England and Wales, and estimated to be worth some £1.2 billion to prospective bidders.[3] At the time of writing, two to three years also remain of the government's two public land-for-housing programmes, targeting the central and local government estates respectively (see Chapters 4 and 5). Unless halted, these programmes will see further large losses of public landholdings to the private sector. Then there are the innumerable London council estates threatened with conversion into city villages, typically through the sale of the land upon which they sit. Indeed, the local government estate more generally, despite having already been so thoroughly impoverished, remains under particular pressure as deepening cuts to local authority budgets increase the likelihood of a resort to further asset sales (see Chapter 3). Locality recently estimated that over 4,000 council properties ('buildings and spaces') are being sold each year in England alone.[1] Among the few assets left to many authorities are public parks – but they are by no means sacrosanct. In 2015, for example, London Councils, which represents the thirty-two London boroughs and the City of London, warned that its members would be unable to stop parks being sold and run privately if cuts continued.[2] And for all the campaigning of Liverpool's Our Ground, which has been notably focused on concerns about loss of public green space, the borough council of Knowsley – a mere stone's throw away in the Merseyside suburbs – recently announced that it will cease funding parks and green spaces after 2019, and that seventeen parks will be sold to developers for an estimated £40 million.[3]

Spare a thought, too, for the NHS estate. As we have seen, this was one of the first centralized repositories of public land to be targeted for aggressive reduction under the first Thatcher administration, triggered by the influential

1983 Davies report (see Chapters 3–5).[4] Its ransacking has been a constant theme of the ensuing decades, even as it has been decentralized. But the government is evidently not done yet. With neat if uncomfortable symmetry, the remaining NHS estate has once again, just in the past eighteen months, been the subject of an influential, shrinkage-oriented investigation – this time by Sir Robert Naylor.[1] His advisers, the consultants Deloitte, told him and the government that the market value of the estate is likely to be between £9 billion and £17 billion (compared to its book value of around £6 billion), and they believe some 1,300 hectares of land could be released from the acute estate alone, which spans around 3,500 hectares.[2] In the run-up to the June 2017 general election, the prime minister, Theresa May, said in a television interview that she was enthusiastically backing the Naylor Report's proposals.[3] And soon the implications were evident – in August, it was reported that the Department of Health had 'quietly doubled the amount of land it intends to dispose of', a significant proportion of which is currently in use 'for clinical or medical purposes'.[4]

Alongside widespread, ongoing actual de jure land privatization, moreover, there are today increasing signs of a trend towards forms of creeping – even insidious – de facto privatization: 'sale' of public land that potentially avoids scrutiny because it is not 'real' sale. The aforementioned HDV proposal in London arguably represents one example insofar as the land would be sold not to Lend Lease but to a 50–50 joint venture between the developer and the local council. Simon Jenkins has recently written about another example, this time in the countryside and on a much wider scale. 'There is', Jenkins told readers, 'something murky down in the forest'. Specifically, a 2012 framework agreement gave a private company, Forest Holidays, in which the largest shareholder is a private equity firm, the right to develop up to thirty sites across the public forestry estate under leases of as long as 125 years. After backing off from the idea of formal privatization of the Forestry Commission and its woodland assets in 2010–11, the Cameron government had instead, Jenkins said, 'privatised in secret'. He explained:

> The government has granted a private company exclusive access to exploit a public land bank. There will be no competitors, no rival bidders and no limit to its growth. Indeed the company and the commission make planning applications jointly, as if they were one and the same. The agreement also promises that, provided the sites are not in a nature reserve or protected area, they cannot be opposed. Should anyone

object, such as an uppity planner, the Forestry Commission has ‘a duty to help bypass regulations’.

And avoiding scrutiny certainly seems to have been a central ambition: ‘the 2012 deal stipulated that the commission commit itself to secrecy. It would ensure “that the media and the public are not aware of new development site selection”.’[1]

All the while, the longstanding discourse of public-sector land-hoarding lingers, powerfully fashioning government policy and action. In late 2014, for instance, Tory MP Mark Prisk, channelling the spirit of Anthony Steen (see Chapter 3), confidently relayed to the Commons ‘the truth’ that ‘the public sector is continuing to hoard surplus land and buildings. May I urge Ministers to look at ripping up the financial rules of Government, ensuring that we penalise the hoarding of public sector land and buildings and incentivise Whitehall and town halls to get such assets turned into real affordable homes?’[2]

Furthermore, new threats not only to public land, but resulting from its sale, continue to emerge all the time. One of the key categories of negative outcome from land commodification identified by Polanyi was environmental. I quoted him on this in Chapter 1: ‘Nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted…’, and so forth. This concern was seemingly behind the 2010–11 protest against the proposed disposal of British public forest land.

In Chapter 5, negative ecological outcomes were not among those I linked to the recent history of land privatization in Britain. In carrying out my research for the book, I did not find clear evidence of privatization and commodification having despoiled the environment in the way Polanyi conjectured. But just because I did not find it does not mean it is not happening. I did, for example, note in Chapter 5 that some of the biggest beneficiaries of public land sales appear to have been mining and quarrying companies, with MRH Minerals and Lafarge both now among the leading private landowners in England and Wales. We should not be naive about what this might entail. Lafarge, for example, numbers among the world’s largest carbon dioxide producers.[1] Its cement plant in Aberthaw, south Wales, featured in a compelling ‘aerial toxic tour’ reported in the *Guardian:* ‘Man, look at the gunk coming out of that guy. He’s burning rubber as fuel! That’s really environmental, huh?’ shouted the pilot–photographer–activist J.

Henry Fair as he circled over the plant's chimneys.[2] And as the search for shale gas – a fossil fuel like any other, even if it emits 'only' around half the CO_2 of coal – in Britain intensifies, landowners are feeling the heat. A recent investigation found that the petrochemical giant Ineos had been approaching local authorities in the East Midlands with cash incentives to allow it to search for the gas 'under council play parks, allotments, football pitches, and even a council war memorial'. Most of the councils had resisted the approach.[3] If the land in question were now in private hands, would its private landowners have done the same? Such questions will become increasingly urgent as Britain's transition to a warmed world proceeds, because land – not least for the energy-related possibilities it offers – sits at the very hub of the relevant political–economic–environmental nexus. More research is desperately needed on the political ecology of land privatization.

Of course, ecological benefits are not the only public benefits or uses that societies depend upon their land to deliver. I have discussed various others in this book, ranging from spaces of leisure to spaces of protest. The British government recognises this inherent social dependence on the land. Its 2010 'Land Use Futures' report on the United Kingdom's main prospective land-use challenges of the next fifty years acknowledges that 'it will be vital to ensure the continued delivery of public goods and services from land'.[1] But, while the report appears to acknowledge that land privatization might just be problematic in this regard – the sentence I just quoted continues, 'a large proportion of which is in private ownership' – that acknowledgment is implicit rather than explicit. My argument, by contrast, has been much more forceful and direct. If it is the delivery of 'public goods and services from land' that one is concerned with, the private sector typically does not deliver.

And what might seem to many people like the obvious answer to securing the delivery of public goods and services from land – public landownership, thus aligning the identity of a piece of land's owner with the identity of those whom the land needs to support – is conspicuous only by its absence in the 'Land Use Futures' report. The idea of revivifying, or even just stabilizing, public landownership is nowhere to be seen in the report, just as – with the exception of recent gestures towards resuscitating compulsory purchase powers to tackle the housing crisis (see Chapter 5) – it is invisible in contemporary mainstream British political discourse more widely. Indeed, it is notable that, while pledging to renationalize sectors such as water and

energy, thereby making nationalization-versus-privatization an election issue 'for the first time in a generation', Labour's 2017 general election manifesto did not include land on its public ownership wish-list.[2] Whatever some of Labour's opponents claimed, this was decidedly not a return to Labour manifestos of the pre-Attlee era, when Labour did indeed believe in land nationalization (see Chapter 2). In the period since the election, Labour's noises on public landownership have been similarly muted. The party's April 2018 Green Paper on housing pledged that a Labour government would 'end the "fire sale" of public land with no obligation to secure new genuinely affordable homes and ensure that new housing developments on public land include an appropriate amount of affordable housing'.[1] But not only is 'affordable', as we have seen, an ambiguous and slippery concept; so too is the notion of 'an appropriate amount'. As such, this 'pledge' is something of an empty vessel; it also assumes that the sale of public land *is* always justifiable if affordable housing is built on it, which is by no means unarguable. The only other recent statement of note is Labour leader Jeremy Corbyn's comment to community activists in North London that he would like to reintroduce a meaningful right of first refusal for local authorities on land being sold by other public bodies. Alluding to the rights that were conferred by the Redundant Lands and Accommodation procedure – he is one of a dwindling number of sitting MPs in a position to still remember – prior to its termination in 1979 (see Chapter 4), Corbyn said: 'I want to bring back that power. That is very important to me.'[2] But this remains Corbyn's own personal policy preference, not established party policy.

I hope that, in showing how damaging land privatization has been, I have done enough to suggest that the option of protecting what remains of public landownership, if not moving to augment it, should at least be on the table. It is, I would argue, now vital for the government to pause and take stock, before what remains of the public land in Britain is also lost. Land, after all, is in so many ways not a 'normal' commodity. It is, as Alex Thomson and Peter Wilkes have written, 'a finite commodity, and once it passes from public control, it is highly unlikely to come back'.[3]

Once again, none of this is to say that public landownership is 'good' by definition – just as it is not necessarily wasteful or inefficient, either. This, indeed, was one of the key arguments advanced by Massey and Catalano in the 1970s, on the basis of their study of landownership in Britain at a time

when considerably more land was in public hands than it is today. Massey and Catalano advocated complete land nationalization, something which today is probably only a pipe dream – that ship has surely sailed, barring revolutionary political-economic transformation. But their arguments concerning land nationalization bear close consideration nonetheless, because they are pertinent even to a more modest public landownership policy, such as retaining current levels of public ownership, or seeking to bolster it to some extent without full-fledged nationalization. While championing nationalization, Massey and Catalano scotched the notion that all problems associated with landownership would magically disappear if the land were wholly nationalized. 'State ownership will not solve every form of the land problem; contradictions will continue to occur', they wrote. And so land nationalization was not, in their view, 'an aim to be fought for as an end in itself … It must be fought for, but in the knowledge that its primary effect will be not to end the struggle over land-related issues, but to change the conditions of that struggle.'[1] If the government did not 'do' landownership well, or if it did not enable public bodies to discharge their landownership responsibilities in socially beneficial ways, then state ownership was potentially no less problematic than private ownership. Public landownership presents the possibility, but never the guarantee, of better outcomes than under private ownership.

This is a point that Andy Wightman – a landownership activist-turned-Scottish MSP – has also repeatedly made. To justify public landownership, public landowners must behave differently from private landowners, specifically by providing the aforementioned public goods and services from land. Often, of course, they do – or at least traditionally have done. Even in these benighted times, one occasionally catches glimpses of the public sector attempting to work against the grain of the prevailing neoliberal logic. London Mayor Sadiq Khan's August 2017 planning guidance, which proposed that residential developments on public land in the capital should deliver at least 50 per cent affordable housing to be eligible for 'fast-tracking', was arguably one example.[2] The following year, Khan showed he could walk the walk as well as talk the talk, buying two-thirds (the 'surplus' portion) of an eleven-hectare NHS site in Haringey, London, to provide redeveloped mental health facilities alongside hundreds of new homes of which half will be affordable, and committing moreover to involve in the development process local community groups that had drawn up their own

alternative proposals for the site in protest at the original (2015) planning permission and its allowance for only 14 per cent affordable homes.[1] This intervention was swiftly followed by the mayor's announcement of a project to deliver 75 new homes, all of which would be 'genuinely and permanently affordable', on two Transport for London sites in Tower Hamlets and Lambeth, further contributing to his overall target of 50 per cent affordable housing across all new residential developments on public land in the capital.[2] Yet, the rarity of such schemes tells its own story, as do their obvious and ever-present limitations – 'affordable' housing is not social housing, and 50 per cent (an 'appropriate amount'?) is not 100 per cent. All too frequently today, as attested equally by Massey and Catalano for the 1970s, public landowners do not behave differently from private landowners at all – which I do not mean as a commendation. One of Wightman's own examples concerns the Scottish forest estate. 'Scottish communities', Wightman argues, 'aren't benefiting from the forests on their doorstep due to a lack of ambition from the Scottish Government'[3] – which, in short, behaves like any other owner of forest-land.

Meanwhile, other examples of public land seemingly not being used in socially beneficial ways are exercising progressive critics south of the border. Two sets of developments, both involving local authorities, are causing particular concern. The first is the growing pattern of local authorities setting up arm's-length companies, with the same legal status as private-sector companies, to build housing on council-owned land. There are already over 150 such companies, which can borrow without the tight restrictions imposed on local authorities themselves by the Housing Revenue Account self-financing system (see Chapter 3).[1] The concern, however, as John Perry writes, is that, because such companies 'need an income stream to support the borrowing costs', they 'have to build for market rents or near-market rents, or a combination of sale and near-market rents', and hence 'do little or nothing to produce housing at genuinely affordable rents'.[2] The second development involves an eerie revival of the types of risky local authority investment practices that Massey described in the 1970s. Once again, some local authorities appear to be acting like property investment companies, spending heavily on commercial property (such as shopping centres), and borrowing heavily to do so. In September 2016, for example, in the biggest deal of its kind, Spelthorne Borough Council acquired an office park at Sunbury-on-

Thames for a reported £360 million, turning the council, in John Plender's words, into 'a property company with a sideline in providing local government services'.[3] In the wider scheme of things, the local government investment (i.e. non-operational) property portfolio remains small, representing in 2012– 13 only about 5 per cent of the total local authority land and property estate by value (having in fact shrunk during the previous decade).[4] But it is clearly now growing, and concerns such as the politician Vince Cable's – that such investments run 'a very high risk of bankrupting their local authorities' – are understandable, if perhaps overblown.[5]

Again, however, it is essential that we understand these local authority land-related strategies in their context. Councils are not investing in non-operational commercial land and property for the sake of it. They are generally doing so to help maintain services threatened by the unprecedented post–financial crisis squeeze on grant funding from central government. Yields, at least for now, are high; the cost of borrowing, ordinarily from the Public Works Loan Board, is low; the positive margin can help fund council expenditures that might otherwise have to be cut.[1] Similarly, we need to consider why some councils are building housing that is not social housing, and through arm's-length companies. Perhaps the main reason is that they face acute local housing shortages at the same time as the government's strict restrictions on use of the Housing Revenue Account effectively preclude building at social rents. Instead of – or as well as – criticizing local authorities for behaving like property companies, we should, following Massey, who would have been struck by a profound sense of *déjà vu*, criticize the government for not enabling them to behave differently. As Plender says, it is Whitehall that 'has caused local authorities to bear the brunt of its commitment to austerity', and it is Whitehall that 'is simultaneously encouraging lowly paid local authority bureaucrats to behave like entrepreneurial risk takers'.[2]

Be that as it may, if state ownership of land on a substantial scale is to have any kind of credible long-term future in Britain, playing a role that is not only positive for British society but is widely *seen* to be positive, it is vital for proponents of such ownership to address the very real contradictions and tensions to which it can give rise – contradictions that Massey and Catalano acknowledged forty years ago, but which are perhaps even more pronounced today. A failure to address – even admit to – those contradictions

has arguably contributed to the decline of public landownership, in ideological as much as material terms, described in this book. Nowhere are those contradictions clearer today than in the case of the soon-to-be-sold Network Rail commercial property estate, much of which comprises property in urban areas under railway arches, and often let to small businesses. When the decision to sell was announced, various supporters of public landownership protested, on the grounds that the estate generates an important income stream for the government and taxpayer. 'It would be much better for the public purse to benefit from the hundreds of millions of pounds of rent from railway arches each year', said the shadow transport secretary, Andy McDonald, 'rather than passing this income into the hands of private property investors'. Activists at the anti-privatization group We Own It, which campaigns for public ownership, agreed: 'Railway land belongs to all of us – we don't want it parcelled up and sold to the highest bidder. This is an asset which generates millions every year, money which should be returned to the public purse not disappear into private profits'.[1] And yet other campaigners have simultaneously been speaking out *against* Network Rail's existing business model, while pointing to the very same dynamics: that is, the fact that it makes money out of its property. Amid stories of Network Rail hiking rents as it is fattened up for (re)privatization, bodies known to be in favour of public landownership have cried foul, decrying the fact that 'traders are being replaced by cafes and workspaces designed for people working on laptops' and that, in the words of a NEF spokesperson, 'the small businesses of Portobello Road, Brick Lane, Columbia Road and Chinatown … are being driven out by the cold logic of ever-increasing rents'.[2] So, do we want the state to be a landowner that deploys 'cold logic' to generate precious income from public land for the government and its delivery of public services (We Own It's apparent preference), or one that eschews financial logics in leveraging this asset base (NEF's preference)? It would be difficult to argue that it can simultaneously be both; and for as long as such tensions remain inadequately addressed, public landownership is liable to remain fragile as a conceptual proposition and public land is liable to remain at significant risk of further depletion.

What seems clear to me at least is that where, for whatever reason, the state persistently fails to use land that it owns in socially beneficial ways, however defined, forms of community landownership should be actively explored and encouraged. One of the main claims I advanced in Chapter 4

was that, for the most part, recent government schemes for getting ‘surplus’ public land into community hands have been just so much hot air. The requirement for public bodies to secure market value – or, in the case of local authorities, close to it – when disposing of land generally militates against its acquisition by community groups, charities or other non-profit entities. So the market-value requirement, simply stated, would need to be dropped, and other disposal criteria applied.

Such a policy transformation, of course, would fly in the face of prevailing, austerity-oriented public-sector budgeting and accounting, requiring an entirely fresh perspective on public-sector finances. Financial controllers at local authorities and other public bodies would need to be confident that, if they sold land for below market value, it would not materially affect the level of resources available to them to fund operations and investments. As things stand, no such confidence is possible, especially when some or all sales proceeds get to be retained by the disposing body. It is therefore hard not to sympathize with public-sector executives who – when compelled to dispose of land and faced with the choice between, on the one hand, maximizing disposal receipts and, on the other, selling the land to community organizations or other public bodies for less than best consideration – opt for the former.

The latest body to confront this particular quandary is the Ministry of Justice (MoJ). Earlier this year, the MoJ placed on the market the land at London’s Holloway Prison, which was closed in 2016. Understandably, local community groups, who had formulated their own proposals to buy the 10-acre site and develop it to include green spaces, facilities for skills training, mental health services and (genuinely) affordable homes, worried that the land ‘will be sold to the highest bidder and unaffordable expensive flats built in a borough that has an enormous need for affordable housing, green space and other community facilities’.[1] Who would not worry? And it appears that this is exactly what has happened: in May, it was reported that the MoJ had agreed to a deal to sell the land to residential developer London Square and housing association A2Dominion.[1] But who, honestly, can blame a ministerial department in charge of what is, by near-universal consent, a prison service already stretched to near breaking-point and in desperate need – in the words of that service’s former director-general – of ‘substantial additional funding’?[2]

Change has to come, it is therefore clear, from Whitehall. Just as Whitehall has for four decades created and applied pressure to sell public land, Whitehall has fashioned the conditions under which sale takes place and militating against anything other than privatization (see Chapter 4). But change, let us be clear, is possible: there *is* an alternative. Achieving market value is not a sine qua non; it has just been made to appear that way. Scotland has shown that community and charity acquisition can be made widely viable when land becomes available for sale (Chapter 4). To be sure, this outcome has more commonly involved the sale of private than public land; but the precedent is there. And when Wightman says, as he frequently does, that the Scottish government should encourage more community and charity landownership, his interventions have a ring of possibility – even realism – that is for now largely absent when politicians float similar suggestions for England and Wales.

In this discussion, the other principal stock of 'public' land, and thus land nominally best positioned to deliver public goods and services, should not be forgotten – namely, Britain's remaining common land. While some of this land, subject to rights of common, is owned by the state (for example, local authorities) – and is thus covered by my discussion of public land – and some of it is owned by charities (such as the National Trust), much of it is owned privately (by companies, members of the nobility, and other private individuals). The Foundation for Common Land estimates that Britain still has over a million hectares of common land, representing around 5 per cent of the total land mass.[3] In Scotland, some 7 per cent of the land is thought to be commons, concentrated in areas with crofting agriculture along the Atlantic fringes. Common land covers 8 per cent of Wales. In England, meanwhile, the proportion is just 3 per cent, concentrated in the north-west, and especially the Lake District. Any positive, socially beneficial future government strategy towards Britain's land and the public goods and services to be derived from it would obviously need to treat carefully both the common land – to which the public still enjoys rights of access and use – and the public land – which it still, at least indirectly, owns.

Above all else, perhaps, it is clear from my analysis of land privatization and its consequences that, where land is concerned, an entirely different mind-set is required than the dominant, market-oriented one that has so clearly failed to deliver. A new vision for the land is necessary, underpinned by different styles of thinking and evaluation. The government's 'Land Use

Futures' report appears, at least, to recognise this necessity. 'The systems and mechanisms that guide land use change in the future', the authors note, 'will need to reflect new priorities, new trends in patterns of use, and changing concepts of how land creates value.' The report continues: 'If the land system is to deliver best value for the country in a sustainable way, we need to estimate the value of land in alternative possible uses (including for future generations).' This statement matters, because markets are incapable of such leaps of logic and temporality – estimating values in alternative possible uses, which is to say those not currently on the market, and for future generations disconnected by definition from the existing market. Markets simply value, perfectly or otherwise, existing commodities, whereas an 'appropriate concept of value', according to the 'Land Use Futures' report, must encompass public benefits 'whether or not they are marketed.'[1]

Given the current lay of the political-economic land, this looks like a very tall order indeed. As with so many other issues relating to contemporary land and landownership developments in Britain, the powers-that-be could, as I have suggested, do a lot worse than look north, to Scotland. April 2017 saw the establishment, after a long period of agitation, of the Scottish Land Commission, to drive further Scottish land reform. Its role appears to be to provide just the type of new thinking and vision recommended in the 'Land Use Futures' report. The Commission aims to 'promote a stronger relationship between the people and the land' and to 'ensure that the ownership and use of land delivers greater public benefit'. It calls on landowners to recognize and fulfil their 'special responsibility' as 'stewards of the nation's land resource for future generations'. It envisages that 'local communities will be routinely involved in decisions about land management'. And it is motivated by 'the idea of land for the many and not just for the few' – a radical ideological break, needless to say, from Scotland's long feudalistic land history, which represented the very quintessence of land for the few.[1] Of course, these may ultimately prove to be empty words; it remains to be seen whether the Commission can deliver on its promises. But at least there *is* a Commission, a body with a bold vision and the promise of change. In England and Wales there is, as yet, not even a whiff of such a body or the ideas it is propagating. Furthermore, the introduction to the Scottish Parliament in January 2018 of a bill to reform management of the Crown Estate in Scotland, which would create opportunities not only for local authorities but also for community groups to run parts of the estate, suggests

that the movement for progressive transformation of land governance north of the border possesses bite as well as bark.[2]

And there are other innovative ideas out there. Twitter and other social media platforms are abuzz with fresh thinking and practical advice regarding new ways of valuing land and ensuring that it delivers wider public benefits economically, socially and environmentally. Groups like Shared Assets, Land for What?, and others are generating and facilitating vibrant debate about the various meanings and uses of land, the centrality of landownership to the negotiation and navigation of the possible futures of land use in Britain, and the possibilities associated with different forms of landownership.[3]

One of the most promising ideas currently in circulation is the community land trust (CLT). Under this model, land would be taken into community ownership on a non-profit basis, and the CLT would develop housing, and potentially other assets, for the use of people with a connection to the local area. The idea is not entirely new – CLTs have been in operation in the United States for decades – but it is relatively new to Britain. And it is no longer just an idea: the first CLTs were established in the early 2000s, and there are now over 200 in England and Wales.[1] CLTs make houses genuinely affordable, since prices are usually linked in perpetuity to local wage levels. The trick to making this achievable is to decouple ownership of the house from ownership of the land it sits on. The land is owned by the trust, and merely leased to the household, which buys only the house.[2]

If today some public land is not being used for demonstrable public benefit, then, CLTs appear to be one of the more progressive options presently on the table for organizing the ownership and use of that land – an alternative that is potentially more healthy than kneejerk privatization. In a handful of cases, this has been happening. The London Borough of Lewisham and Bristol City Council have recently sold sites to CLTs. These particular sites are small, as an inevitable result of the existing rules on achieving best consideration (see Chapter 4); they will accommodate only thirty-three and twelve homes, respectively.[3] Meaningful scaling of the CLT model for acquisition of public land will, as I have suggested, require revisiting or scrapping the market-value disposal requirement. But these initiatives represent a start, at least – a foundation upon which to build.

Is the commercial private sector wholly excluded from the CLT experiment? No, it is not. CLTs can self-build, of course, but they do not

necessarily do so. When the Greater London Authority released part of one of its ‘surplus’ sites to the East London CLT (the capital’s first), it asked the private-sector developer Linden Homes to work with the CLT on developing the project.[4] And perhaps the most ambitious CLT proposal currently in the pipeline, for the Camley Street area of Camden, in north London, which has plans for some 700 affordable homes on what is currently council land, has strong backing and involvement from local business, aiming as it is to protect the local industrial activity that real-estate speculation has priced out of other parts of London (see Chapter 5).[1] Even where the private sector is involved, however, the CLT is definitively not a private-sector model of landownership – and it is not from the private sector that original and auspicious ideas for new forms of land ownership, use and value creation are bursting forth. The commodified private-sector model, like the ideology underwriting it (see Chapter 3), has been shown to be bankrupt as the default alternative to public landownership. There is no reason why it should be allowed to define the future.

Notes

Introduction

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2 J. Meek, *Private Island: Why Britain Now Belongs to Someone Else* (London: Verso, 2015), p. 192.

1 Richard Seymour, 'A Short History of Privatisation in the UK: 1979–2012', *Guardian*, 29 March 2012.

2 C. Edwards, 'Margaret Thatcher's Privatization Legacy', *Cato Journal* 37 (2017), pp. 89–101, at p. 94.

3 Tyler Cowen, 'Tyler Cowen's Three Laws', 15 April 2015, at marginalrevolution.com.

1 There are a few exceptions, typically small states. The Marshall Islands are one such.

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3 T. Ludewigs, E. Brondízi and S. Hetrick, 'Agrarian Structure and Land-Cover Change Along the Lifespan of Three Colonization Areas in the Brazilian Amazon', *World Development* 37 (2009), pp. 1348–59, at p. 1357.

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Land after Outcry', *Guardian*, 2 February 2017.

1 Royal Mail, privatized in 2013, is a good example of an enterprise in which land figured prominently among the transferred assets. The government's October 2013 sale of 60 per cent of the business valued Royal Mail at £3.3 billion. Within the mix, the net book value of Royal Mail's freehold estate was estimated in the privatization prospectus at fully £787 million – and, as we will see in Chapter 4, post-privatization land sales by Royal Mail suggest that its market value was significantly higher than that. Investors in Royal Mail's privatization were buying many things, and a significant one, indubitably, was land. *Royal Mail plc: Prospectus*, p. F-48 – pdf available at royalmailgroup.com.

2 In Chapter 5, however, I do briefly discuss the amounts of public land that have disappeared with these 'other' privatizations of the neoliberal era.

1 The relationship between the two privatizations is not quite as straightforward as this formulation suggests, however. One important reason for this is that when council housing has been sold, the land underneath it has not always also been privatized. The primary example concerns council flats (apartments), which, unlike council houses per se, are not usually sold freehold, but rather on a long lease, typically of 125 years (Chapter 2 contains more information on these tenure forms in the British context). In these instances, the local authority continues to own the land. Yet although in such cases there has been no de jure privatization where the land is concerned, there has arguably been de facto privatization – the land, after all, cannot be used for anything else (which partly explains why the literature generally treats long-term leases of council flats as transfers). This de facto land privatization is reflected in the fact that the sale price of council flats incorporates locational value, which is wholly a land value. In any event, insofar as the data on the scale of British land privatization presented in this book (Chapter 5) measure de jure privatization (land beneath council flats is registered as council-owned, and is reported here accordingly), the book arguably understates the extent of *effective* land appropriation that has taken place.

2 See especially Meek, *Private Island*, Chapter 6.

3 One of the most important historic land rights bifurcations in the British context occurred in 1925 when, with the abolishment of customary copyhold tenure, the freehold to land still under copyhold passed to tenants, but with the former landowner often retaining mineral rights. This historic bifurcation recently became news when it emerged that various present-day owners of such mineral rights had been stung into action by a change in the law meaning that the rights could be lost if not registered. Since 2010, claims to mineral rights in around 10,000 separate locations have been registered. The Church of England has accounted for over half of these claims, registering its ownership of around 235,000 hectares of resources under land owned by others – a far greater area than the Church's current estimated total surface landholdings of approximately 40,000 hectares, but a significantly smaller area than the nearly 900,000 surface hectares it still owned in the mid to late nineteenth century. See K. Burgess and L. Goddard, 'Church of England tells landowners it owns their mineral rights', *The Times*, 9 January 2018.

1 Council flats are the most obvious example, but not the only one. In North London, for instance, Haringey Council recently – controversially – sold Hornsey Town Hall to a property developer, while retaining most of the site. See J. King, 'Developer stands to make £22m profit out of £3.5m Hornsey Town Hall purchase', *Ham and High*, 8 August 2017, at hamhigh.co.uk.

2 D. Harvey, *The Limits to Capital* (Oxford: Blackwell, 1982), p. 330.

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2 G. Arrighi, *The Long Twentieth Century: Money, Power, and the Origins of Our Times* (London: Verso, 1994); G. Simmel, *The Philosophy of Money* (London: Routledge & Kegan Paul, 1990 [1907]); T. Veblen, *The Theory of Business Enterprise* (New York: Charles Scribner’s, 1912); J. Keynes, ‘National Self-Sufficiency’, *Yale Review* 22 (1933), pp. 755–69.
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Chapter 1: A Special and Finite Commodity: Why Land and Landownership Matter

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Chapter 2: Landownership in Britain: A Brief History

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Soundings, 2015), p. 2.

1 Land Registration Act 2002, at legislation.gov.uk.

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2 A. Linklater, *Owning the Earth: The Transforming History of Land Ownership* (London: Bloomsbury, 2014), p. 19

3 C. Cipolla, *Before the Industrial Revolution: European Society and Economy 1000–1700*, 3rd edition (London: Routledge, 1993), p. 36. Cahill's estimate is much higher – 'around 10 million acres of England alone' (Cahill, *Who Owns Britain*, p. 23) – but is not sourced, and is way out of line with all other estimates I have seen.

1 See especially J. Goldstein, '*Terra Economica:* Waste and the Production of Enclosed Nature', *Antipode* 45 (2013), pp. 357–75.

1 D. McCloskey, 'The Enclosure of Open Fields: Preface to a Study of Its Impact on the Efficiency of English Agriculture in the Eighteenth Century', *Journal of Economic History* 32 (1972), pp. 15–35.

2 M. Williams, 'The Enclosure and Reclamation of Waste Land in England and Wales in the Eighteenth and Nineteenth Centuries', *Transactions of the Institute of British Geographers* 51 (1970), pp. 55–69.

3 Cahill, *Who Owns Britain*, p. 37.

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5 K. Marx, *Capital, volume 1* (London: Pelican, 1976), p. 889.

6 A. Wightman, *The Poor Had No Lawyers: Who Owns Scotland (and How They Got It)* (Edinburgh: Birlinn, 2011).

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3 Goldstein, '*Terra Economica'*, p. 361.

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2 A. Elliot, J. Watt, I. Cooke and P. Tabor, *The Land of Scotland and the Common Good* (Edinburgh: Scottish Government, 2014), p. 160.

3 P. Jenkins, *A History of Modern Wales 1536–1990* (New York: Longman, 1991), p. 278.

4 Cahill, *Who Owns Britain*, p. 204.

5 K. Cahill, ‘Who Really Owns Britain?’, *Country Life*, 16 November 2010.
6 Jenkins, *History of Modern Wales*, p. 278.
7 G. Clark, ‘Public Ownership of Land in Scotland’, *Scottish Geographical Magazine* 97: 3 (1981), pp. 140–6, at p. 141.

1 Cahill, *Who Owns Britain*, p. 45.
2 HL Deb, 19 February 1872, c639.
3 HL Deb, 19 February 1872, c642.

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2 A. Howe, ‘The “Manchester School” and the Landlords: The Failure of Land Reform in Early Victorian Britain’, in Cragoe and Readman, *Land Question in Britain*, pp. 74–91.
3 M. Cragoe and P. Readman, ‘Introduction’, in Cragoe and Readman, *Land Question in Britain*, pp. 1–18, at p. 7.
4 I. Packer, *Lloyd George, Liberalism and the Land: The Land Issue and Party Politics in England, 1906–1914* (London: Royal Historical Society, 2001).

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2 The Crown Estate data are from Cahill, *Who Owns Britain*, p. 73.
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1 Cragoe and Readman, ‘Introduction’, at pp.11–12. The quotation is from p. 12.
2 Packer, *Lloyd George, Liberalism and the Land*, p. 2.
3 Cooper, ‘County Council Farm Tenancies’.
4 Clark, ‘Public Ownership of Land in Scotland’, p. 144.
5 P. Kivell, *Land and the City: Patterns and Processes of Urban Change* (London: Routledge, 2002), p. 114.

1 See University of Reading, ‘Museum of English Rural Life: Land Settlement Association’, n.d., at reading.ac.uk.
2 Clark, ‘Public Ownership of Land in Scotland’, p. 144.
3 Elliot et al., *Land of Scotland*, pp. 180–90.
4 Forestry Commission, *Thirtieth Annual Report of the Forestry Commissioners for the Year Ending September 30th 1949* (London: HMSO, 1950), p. 7.

1 Ibid., p. 8.
2 Forestry Commission, ‘History of the Forestry Commission’, n.d., at forestry.gov.uk.

3 Forestry Commission, *Thirtieth Annual Report*, p. 37.
4 Cahill, ‘Who Really Owns Britain?’.
5 Clark, ‘Public Ownership of Land in Scotland’, p. 144.
6 R. Woodward, *Military Geographies* (Oxford: Blackwell, 2004), p. 22.

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2 Packer, *Lloyd George, Liberalism and the Land*, p. 2.
3 P. Weiler, ‘Labour and the Land: From Municipalization to the Land Commission, 1951–1971’, *Twentieth Century British History* 19 (2008), pp. 314–43, at p. 315.
4 Ibid.
5 C. Griffiths, ‘Socialism and the Land Question: Public Ownership and Control in Labour Party Policy, 1918–1950s’, in Cragoe and Readman, *Land Question in Britain*, pp. 237–56; M. Tichelar, ‘The Labour Party and Land Reform in the Inter-War Period’, *Rural History* 13 (2002), pp. 85–101.

1 Weiler, ‘Labour and the Land’, p. 315.
2 ‘Table 801 Household Characteristics: Tenure Trend, from 1918’, spreadsheet at gov.uk.
3 Ibid.

1 On Sheffield, see J. Montgomery, ‘The Significance of Public Landownership: Local Authority Land Trading in Oxford and Sheffield’, *Land Use Policy* 4: 1 (1987), pp. 42–50, at p. 48.
2 P. Ambrose, *Urban Process and Power* (London: Routledge, 1994), p. 118.

1 P. Kivell and I. McKay, ‘Public Ownership of Urban Land’, *Transactions of the Institute of British Geographers* 13 (1988), pp. 165–78, at pp. 172–3.
2 Home, ‘Land Ownership in the United Kingdom’, p. S105.

1 Labour Research Department, ‘Who Does Own Britain Today?’, p. 2.

1 Department of Health and Social Security (DHSS), *Underused and Surplus Property in the National Health Service* (London: HMSO, 1983), pp. 3–4.
2 Kivell, *Land and the City*, p. 117.
3 C. Howes, ‘The Ownership of Vacant Land by Public Agencies’, *Land Development Studies* 1 (1984), pp. 23–33, at p. 25. See Montgomery, ‘The Significance of Public

Landownership', p. 47, on the compulsory purchase of large amounts of land in Oxford in the early 1960s for an expanded central business area and a proposed inner relief road.

4 D. Bentley, *The Land Question: Fixing the Dysfunction at the Root of the Housing Crisis* (London: Civitas, 2017), p. 45.

5 Kivell, *Land and the City*, p. 114.

1 Bentley, *The Land Question*, p. 46. The development corporations' ability to purchase land at existing-use value was terminated by the 1961 Land Compensation Act, which stipulated that compensation to landowners should include development-based 'hope value'. But the corporations continued to acquire land in large quantities thereafter, even if at higher prices; two of the three major waves of new town designation and development occurred after the 1961 Act.

2 'Interview with Henry Diamond', n.d., at livingarchive.co.uk.

3 On the Sheffield case, see Montgomery, 'The significance of public landownership', pp. 48-50.

4 'Table 102: Dwelling Stock: By Tenure, Great Britain', spreadsheet, at gov.uk.

1 Bentley, *The Land Question*, p. 44.

2 Montgomery, 'The Significance of Public Landownership', p. 46.

3 'Table 102: Dwelling Stock: By Tenure, Great Britain'.

4 On Brighton and Coventry, see R. Bryant, *Land: Private Property, Public Control* (Montreal, Harvest House, 1972); on Birmingham, Newcastle, Nottingham and Plymouth, see F. Dowrick, 'Public Ownership of Land – Taking Stock 1972–73', *Public Law* 1974 (Spring), pp. 10–24, at p. 18; and on Manchester, see Kivell and McKay, 'Public Ownership of Urban Land'.

1 Kivell and McKay, 'Public Ownership of Urban Land', pp.174–5.

2 Forestry Commission, 'Total FC, NRW & FS Land Area.' Copy available from author.

1 HL Deb 29 November 1962, cc1345–1359.

1 A. Bailey, 'The Public Land Disposals in the Metropolitan Green Belt', Bristol Polytechnic Department of Town and Country Planning, Working Paper 19, 1987.

2 DHSS, *Underused and Surplus Property*, p. 10.

3 Ibid., p. 12.

1 HC Deb 26 January 1960, cc133–134.

2 Ibid.

3 Bailey, 'Public Land Disposals'.

1 Woodward, *Military Geographies*, p. 22.

2 The conventional story of the 1976 crisis is of course one of Labour overspending.

But the Tories were in power from 1970 until as late as 1974. And as Richard Roberts, *When Britain Went Bust: The 1976 IMF Crisis* (London: OMFIF, 2016), observes, by the mid 1970s Britain had been struggling with deep-seated structural economic problems – heavy debts and unsustainable exchange rates – for some three decades.

3 See Montgomery, 'The Significance of Public Landownership', p. 48, on exactly this phenomenon in the case of Oxford.

1 H. Wilkinson, 'The Community Land Act 1975', *Modern Law Review* 39 (1976), pp. 311–17, at p. 311.

2 D. Massey, 'The Pattern of Landownership and Its Implications for Policy', *Built Environment* 6 (1980), pp. 263–71, at p. 270.

3 Montgomery, 'The Significance of Public Landownership', p. 48.

4 Massey, 'The Pattern of Landownership, pp. 269–70.

1 Kivell and McKay, 'Public Ownership of Urban Land', p. 169.

1 A. Cox, *Adversary Politics and Land: The Conflict over Land and Property Policy in Post-War Britain* (Cambridge: Cambridge University Press, 1984), p. 27.

1 Ibid., p. 29.

2 Ibid., p. 59.

3 Kivell, *Land and the City*, p. 112. This increase in value associated with development permission was the corollary of the value differential between existing-use and residential value that, as we saw earlier, the 1947 Act (temporarily) enabled local authorities to avoid paying through its compulsory purchase compensation guidelines.

4 HC Deb 30 January 1947, cc1230–1232.

1 Weiler, 'Labour and the Land', p. 321.

2 Kivell, *Land and the City*, p. 112. Crosland is cited in Weiler, 'Labour and the Land', p. 317.

1 Kivell, *Land and the City*, p. 112.

2 D. Massey and A. Catalano, *Capital and Land: Private Landownership by Capital in Great Britain* (London: Edward Arnold, 1978), Chapter 6.

3 D. Massey, 'The Analysis of Capitalist Landownership', *International Journal of Urban and Regional Research* 1 (1977), pp. 404–24, at p. 420.

4 D. Harvey, *The Limits to Capital* (Oxford: Blackwell, 1982).

1 HC Deb 30 January 1947, c1231.

2 Massey, 'Analysis of Capitalist Landownership', p. 421.

3 Kivell, *Land and the City*, p. 112.

4 Massey and Catalano, *Capital and Land*, p. 174.

1 M. Wolf, ‘Why We Must Halt the Land Cycle’, *Financial Times*, 8 July 2010.
2 Weiler, ‘Labour and the Land’, p. 317.
3 My main sources are Dowrick, ‘Public Ownership’; Massey, ‘Analysis of Capitalist Landownership’; Massey and Catalano, *Capital and Land;* Massey, ‘The Pattern of Landownership’; and Labour Research Department, ‘Who Does Own Britain Today?’ – which, I suspect, was probably co-authored by Massey.

1 Department for Communities and Local Government, *Land Value Estimates for Policy Appraisal*, February 2015 – pdf available at gov.uk.
2 Ibid.

1 ‘Table 102: Dwelling Stock: By Tenure, Great Britain’.
2 Cahill, ‘Who Really Owns Britain?’.
3 Massey and Catalano, *Capital and Land*, p. 12.

1 Massey, ‘The Pattern of Landownership’, p. 268.
2 Massey and Catalano, in *Capital and Land*, which was published in 1978, reckoned ‘about 19 percent’ (p. 6); Dowrick, ‘Public Ownership’, estimated 16–18 per cent, albeit at an earlier juncture (1972–73). My estimate – approximately 20 per cent – is slightly higher than Massey and Catalano’s because their empirical research was carried out in the mid 1970s (‘mainly in 1975’), and between the mid 1970s and 1979 the public sector continued to be a net acquirer of land, in particular for housing: across Britain, more than half a million residential units were added to the local authority rental stock in the half-decade between the beginning of 1975 and the end of 1979. See ‘Table 102: Dwelling Stock: By Tenure, Great Britain’.
3 Massey, ‘The Pattern of Landownership’, p. 265.

Chapter 3: Discourses of Surplus and Efficiency: Preparing the Land for Sale

1 HC Deb 13 June 1979, c255W.

1 P. Krugman, ‘The Austerity Delusion’, *Guardian*, 29 April 2015.

1 J. Meek, *Private Island: Why Britain Now Belongs to Someone Else* (London: Verso, 2015), pp. 10, 14.
2 D. Harvey, *The Limits to Capital* (Oxford: Blackwell, 1982), pp. 348–9.

1 See, for example, the Cabinet Office home page: ‘We support the Prime Minister and ensure the effective running of government. We are also the corporate headquarters for government, in partnership with HM Treasury, and we take the lead in certain critical policy areas.’ Cabinet Office, ‘About Us’, at gov.uk.

2 See National Audit Office, ‘About Us’, at nao.org.uk.
3 M. Williams, ‘Almost One in Five MPs are Landlords’, Channel 4 News FactCheck, 21 July 2017, at channel4.com.

1 *Evening Standard*, ‘Sell Public Land to Solve Housing Crisis, Boris Johnson Is Told’, 5 March 2014, at standard.co.uk.
2 Berkeley Group, ‘Barriers to Housing Delivery’, 23 June 2015, p. 5, at London.gov.uk.

1 A. Chakrabortty, ‘At Yacht Parties in Cannes, Councils Have Been Selling Our Homes from Under Us’, *Guardian*, 14 October 2014.

1 J. Stone, ‘Tories Heavily Reliant on Donations from Hedge Funds and Bankers, New Analysis Shows’, *Independent*, 3 June 2017. See also N. Watt and J. Treanor, ‘Revealed: 50 per cent of Tory Funds Come from City’, *Guardian*, 8 February 2011; H. Blake, ‘Conservatives Given Millions by Property Developers’, *Telegraph*, 9 September 2011.
2 D. Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005).

1 Two enthusiastic financiers articulated this particular logic thus: ‘Naturally, some will hold their hands up in horror at the thought of a Government selling a prison and then leasing it back. But such an instinctive reflex is misplaced, as it is based on a misunderstanding of the well-established distinction between ownership and provision. If government is better at providing services than managing property, then there is sound logic in the argument that it should concentrate on providing the services and leave someone else to manage the property.’ M. Osborne and M. Costello, ‘Selling Off the Public Estate: A Broker’s View’, *Public Money* 3: 4 (1984), pp. 57–9, at p. 57.

1 ‘Savills: Public Land Could Deliver as Many as 2 Million New Homes’, 17 November 2014, at 4-traders.com.

1 D. Gandesha, ‘The Public Sector’s Vast Bank of Unused Land is a National Disgrace’, *City AM*, 22 August 2016.
2 A. Steen, *New Life for Old Cities* (London: Aims of Industry, 1981).
3 HC Deb 24 April 1986, c488.
4 HC Deb 21 March 1984, c472W.

1 HC Deb 10 April 1987, c617. The politician in question was Christopher Chope.
2 HC Deb 24 April 1986, cc488–489.
3 HC Deb 8 Sep 2014, c640.

1 HC Deb 24 April 1986, c488.
2 HC Deb 26 February 1988, c590. The civil estate comprises the land and buildings

housing most of central government: ‘the workspace, offices and other property (land and buildings) used to deliver departments’ activities’. Cabinet Office, *The State of the Estate in 2012* (London: HM Government, 2013), p. 9. As well as all local government holdings, it excludes, inter alia, NHS properties, Defence properties, and the rural holdings of the Department for Environment, Food and Rural Affairs.

3 ‘Right to Contest’, 8 January 2014, at gov.uk.

1 Public Sector Executive, ‘EXCLUSIVE: Public Land Disposal Scheme Leads to Just 6 Sales’, 31 March 2016, at publicsectorexecutive.com.

2 Ibid.

3 Cabinet Office, *State of the Estate in 2012*. This is an annual report on the ‘efficiency and sustainability’ of the civil estate.

4 Ibid., p. 9.

1 HC Deb 26 February 1988, c590.

1 Respectively: HM Treasury, *Operational Efficiency Programme: Final Report* (London: HM Treasury, 2009), p. 62; Cabinet Office, *Government’s Estate Strategy: Delivering a Modern Estate* (London: HM Government, 2013), p. 4.

2 DHSS, *Underused and Surplus Property*, p. 19.

3 P. Green, *Efficiency Review by Sir Philip Green: Key Findings and Recommendations*, 2010, p. 4 – pdf available at gov.uk.

4 Ibid., p. 5.

1 D. Parker, *The Official History of Privatisation, Volume I* (London: Routledge, 2009), p.400; A. White, ‘A Review of UK Public Sector Real Estate Asset Management’, *Journal of Corporate Real Estate* 13 (2011), pp. 6–15, at p. 13.

2 DHSS, *Underused and Surplus Property*, p. 19.

3 G. Hardin, ‘The Tragedy of the Commons’, *Science* 162 (1968), pp. 1243–8.

1 On the discourses of waste and inefficiency called forth in these respective contexts, see, for example, S. H. Hanke and B. Dowdle, ‘Privatizing the Public Domain’, *Proceedings of the Academy of Political Science* 36: 3 (1987), pp. 114–23; J. Goldstein, *‘Terra Economica:* Waste and the Production of Enclosed Nature’, *Antipode* 45 (2013), pp. 357–75.

2 P. Kivell, *Land and the City: Patterns and Processes of Urban Change* (London: Routledge, 2002), pp. 110–11.

1 Y. T. Hsing, ‘Global Capital and Local Land in China’s Urban Real Estate Development’, in F. Wu, ed., *Globalization and the Chinese City* (London: Routledge, 2006), pp. 167–89, at p. 169.

2 N. French, ‘Asset Registers and Asset Rents for Local Authorities: A Viable Property Management Tool’, *Property Management* 12: 3 (1994), pp. 15–23.

3 HC Deb 25 January 1983, c395W.
4 Green, *Efficiency Review*, p. 20.

1 Office of Government Commerce, *Guide for the Disposal of Surplus Property* (London: HM Treasury, 2005), p. 1.
2 D. Massey, 'The Pattern of Landownership and Its Implications for Policy', *Built Environment* 6 (1980), pp. 263–71, at p. 270.

1 A. Haila, *Urban Land Rent: Singapore as a Property State* (Oxford: Wiley Blackwell, 2016), p. 118.
2 The study most often invoked in evidence of the greater efficiency of privatized businesses than publicly owned ones says nothing about respective land-use efficiencies; see W. Megginson and J. Netter, 'From State to Market: A Survey of Empirical Studies on Privatization', *Journal of Economic Literature* 39 (2001), pp. 321–89. Neither, for what it is worth, does this study say anything about who – which class fractions – typically captures the efficiency gains putatively generated by privatization.

1 R. Harris, *Public Sector Asset Management: A Brief History*, Ramidus, May 2010, p. 1 – pdf available at ramidus.co.uk.
2 Meek, *Private Island*, p. 253.

1 Scholars have described other examples in other countries. In France, for example, the disposal of public land in recent decades similarly has to be understood as at least partly a product of state restructuring. See F. Adisson, 'From State Restructuring to Urban Restructuring: The Intermediation of Public Landownership in Urban Development Projects in France', *European Urban and Regional Studies*, 30 June 2017.

1 J. Peck, 'Austerity Urbanism: American Cities under Extreme Economy', *City* 16 (2012), pp. 626–55, at p. 631.
2 M. Lyons, *The Lyons Housing Review: Mobilising Across the Nation to Build the Homes Our Children Need*, 2014 – pdf available at policyforum.labour.org.uk.
3 J. Perry, G. Smith and J. Pitt, 'Investing in Council Housing: The Impact on HRA Business Plans', Chartered Institute of Public Finance and Accountancy, July 2016, p. 9 – pdf available at cipfa.org.
4 For more detail, see ibid., p. 11.
5 Meek, *Private Island*, pp. 212–23; compare Perry et al., 'Investing in Council Housing', pp. 10–12.

1 Perry et al., 'Investing in Council Housing'. The government's November 2017 budget allows local authorities to bid to increase local borrowing caps in areas of high demand, but this will have, at best, a marginal and highly localized impact on social housing investment.
2 J. Morphet and B. Clifford, 'Local Authority Direct Provision of Housing', December

2017, pp. 52–5, at rtpi.org.uk.

3 See, respectively, 'Table 209: Permanent Dwellings Completed, by Tenure and Country' – spreadsheet available at gov.uk; 'Reinvigorating Right to Buy', 22 December 2011, at gov.uk. The haemorrhaging will soon cease in Wales, where Right to Buy was abolished in March 2018 for homes that are new to the social housing stock (and which therefore have no existing tenants), and where it will also be abolished for existing properties in January 2019.

1 M. Sandford, 'Local Government in England: Capital Finance', House of Commons Briefing Paper 05797, 27 June 2016, p. 4.

2 T. Travers, *Local Governments' Role in Promoting Economic Growth: Removing Unnecessary Barriers to Success* (London: Local Government Association, 2012).

3 Peck, 'Austerity Urbanism'.

4 Travers, *Local Governments' Role in Promoting Economic Growth*, p. 14.

5 V. Lowndes and A. Gardner, 'Local Governance under the Conservatives: Super-Austerity, Devolution and the "Smarter State"', *Local Government Studies* 42 (2016), pp. 357–75.

6 T. Crewe, 'The Strange Death of Municipal England', *London Review of Books*, 38: 24 (2016), pp. 6–10, at p. 6. See also A. Bounds, 'Local Councils to See Central Funding Fall 77 per cent by 2020', *Financial Times*, 4 July 2017, specifically concerning a projected 77 per cent decline between 2015 and 2020 in local authorities' Revenue Support Grant.

1 Crewe, 'Strange Death of Municipal England'.

2 Audit Commission, *Managing Council Property Assets: Using Data from the Value for Money Profiles, June 2014*, 2014, p. 3 – pdf available at webarchive.nationalarchives.gov.uk.

3 See, for example, S. Wren-Lewis, 'Neoliberalism and Austerity', Mainly Macro, 21 October 2016, at mainlymacro.blogspot.se.

1 J. Montgomery, 'The Privatisation of Public Sector Landholdings: The Example of Health Authorities in London and the South East', *Planning Practice and Research* 1: 1 (1986), pp. 23–7, at p. 25.

2 'Selling Off the Public Estate', *Public Money* 5: 4 (1986), pp. 54–7, at p. 54.

1 DHSS, *Underused and Surplus Property*, p. 6; emphasis in original.

2 Office of Government Commerce, *Guide for the Disposal of Surplus Property*, p. 4.

3 M. Rosen, 'Private Fat Cats Have Got Rich on the Sale of Our Schools', *Guardian*, 28 March 2017.

1 HL Deb 15 July 2014, c220-225GC.

2 Things were still no clearer when, in early 2015, the bill received royal assent. The Labour parliamentarian Roberta Blackman-Woods said it remained 'far from clear what

was meant by surplus land', the government having provided 'no clarification about how surplus land would be categorised'. HC Deb 26 January 2015, c641.

3 Communities and Local Government Committee, *Community Rights*, 2 December 2014, HC 262, CRS0010.

4 Communities and Local Government Committee, *Community Rights*, 2 December 2014, HC 262, Q230.

1 HL Deb 7 December 1983, c1177; my emphasis.

1 HC Deb 28 January 1988, c606.

2 R. Naylor, *NHS Property and Estates: Why the Estate Matters for Patients* (London: Department of Health, 2017), p. 21.

3 HM Treasury, *Operational Efficiency Programme*, pp. 55–7.

4 Ibid., p. 57.

1 HM Treasury, *Whole of Government Accounts: Year Ended 31 March 2016* (London: Stationery Office, 2017), p. 20.

2 'Government Sells King's Cross Development Stake to Reduce the Deficit', 22 January 2016, at gov.uk.

3 Defence Committee (14 December 2007, HC 535: paras 54–5), 'The Work of Defence Estates'. More recently, Kevan Jones, the ex-minister for veterans, has described the deal as 'an incredibly bad [one] for the taxpayer'. Cited in H. Watt, 'How the MoD's Plan to Privatise Military Housing Ended in Disaster', *Guardian*, 25 April 2017. I discuss the deal and its long-term fallout further in Chapter 5.

1 National Audit Office (30 January 2018, HC 762: p. 7), 'The Ministry of Defence's Arrangement with Annington Property Limited'.

1 M. Heseltine, *No Stone Unturned: In Pursuit of Growth*, Department for Business, Innovation and Skills, 2012, p. 112 – pdf available at gov.uk.

2 For example, L. Sherman, 'Mayor Launches "Domesday Book" to Unlock Public Land', LocalGov, 14 July 2015, at localgov.co.uk.

3 Naylor, *NHS Property and Estates*, p. 7.

1 N. Wallwork, 'UK Government Pledges £5 Billion Towards Housebuilding', Property Forum, 3 October 2016, at propertyforum.com.

2 Department for Communities and Local Government (DCLG), *Accelerating the Release of Surplus Public Sector Land: Progress Report One Year On* (London: DCLG, 2012), p. 5.

3 Cabinet Office, *Government's Estate Strategy*, p. 4.

4 Local Government Association and Cabinet Office, 'One Public Estate: Transforming property and services', August 2014, p. 4, at local.gov.uk.

1 HL Deb 15 July 2014, c230GC.

2 DCLG, *Accelerating the Release of Surplus Public Sector Land*, p. 5.

3 See, for example, H. Osborne, 'UK House-Building Crisis – and How to Solve It', *Guardian*, 19 May 2014.

4 G. Trefgarne, 'Planning Log-Jam "Has Created Housing Crisis"', *Telegraph*, 15 January 2003.

5 K. Niemietz, *Abundance of Land, Shortage of Housing*, IEA Discussion Paper No. 38, April 2012 – pdf available at iea.org.uk.

1 D. Bowie, 'Responses to the Housing Crisis in the UK', paper presented at the RC21 'The Ideal City' conference, Urbino, Italy, 27–29 August 2015.

2 Bowie identifies two in particular – Paul Cheshire and Alun Evans – and cites two studies: P. Cheshire, M. Nathan and H. Overman, *Urban Economics and Urban Policy: Challenging Conventional Policy Wisdom* (Cheltenham: Edward Elgar, 2014); and A. Evans and O. Hartwich, *Unaffordable Housing: Fables and Myths* (London: Policy Exchange, 2005).

3 Bowie, 'Responses to the Housing Crisis', p. 4.

4 C. Howes, 'The Ownership of Vacant Land by Public Agencies', *Land Development Studies* 1 (1984), pp. 23–33, at p. 26.

5 HC Deb 24 April 1986, c491.

6 HC Deb 30 November 1990, c1138.

1 R. Rogers, 'Building Tomorrow's Cities: The Urban Task Force 15 Years On', in A. Adonis and B. Davies, eds, *City Villages: More Homes, Better Communities* (London, Institute for Public Policy Research, 2015), pp. 29–38, at pp. 29–30.

2 Where, as I noted in the introduction, local authorities still typically own the underlying land, even if much of the housing stock itself has been sold off. As Andrew Adonis, 'City Villages: More Homes, Better Communities', in A. Adonis and B. Davies, eds, *City Villages: More Homes, Better Communities* (London, Institute for Public Policy Research, 2015), pp. 5–20, at p. 9, wrote: 'It is important to understand that local authority development rights are unaffected by thirty years of "right to buy", which has transferred leaseholds but not freeholds. They do not therefore undermine the power of local authorities – or housing associations, where stock transfers have taken place – to redevelop estates.'

3 A. Adonis and B. Davies, eds, *City Villages: More Homes, Better Communities* (London, Institute for Public Policy Research, 2015).

1 Adonis, 'City Villages', pp. 8–9.

2 See also the extended discussion in B. Christophers, 'The State and Financialization of Public Land in the United Kingdom', *Antipode* 49 (2017), pp.62–85, at pp. 79–81.

1 Rogers, 'Building Tomorrow's Cities', pp. 29–30; my emphasis.

2 Adonis, 'City Villages', pp. 7, 9.

1 Ibid, p. 18.

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Chapter 4: Carrots and Sticks: Privatizing the Land

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2 I. Johnston, 'Golf Courses Cover 10 Times More Land than Allotments – and get £550,000 in Farming Subsidies', *Independent*, 21 July 2017.

1 Property Advisers to the Civil Estate, *Estate Services Guide*, disp. 2.1.2.

2 DCLG, *Public Land for Housing Programme 2015 to 2020: Annual Report* (London: DCLG, 2017), p. 11.

3 Public Accounts Committee, 'Disposal of Public Land for New Homes'.

4 'No Record of Homes Built on Sold-Off Public Land', 24 September 2015, at parliament.uk.

1 DCLG, 'Public Land Initiative: Increasing Housing Delivery', 12 February 2010 – copy available from the author.

2 DCLG, 'Build Now, Pay Later', 21 December 2011 – pdf available at gov.uk.

1 Expert Advisory Panel, 'Releasing Public Sector Land for Housing in the UK', November 2012, pp. 49–51 – pdf available at berkeleygroup.co.uk.

2 B. Quirk, S. Thake and A. Robinson, 'Making Assets Work: The Quirk Review of Community Management and Ownership of Public Assets', May 2007 – pdf available at libraries.communityknowledgehub.org.uk.

3 Communities and Local Government Committee (3 February 2015, HC 262), 'Community Rights'.

1 Quirk, Thake and Robinson, 'Making Assets Work', pp. 5, 24.

2 Communities and Local Government Committee, 'Community Rights'.

3 D. Hill, 'Hammersmith and Fulham Scraps Plans for Council Homes Transfer to "Community Gateway" Ownership', 1 March 2017, at onlondon.co.uk. Note that Hammersmith and Fulham council is in a minority in attempting to help realize community ownership of public land. Less than half of English local authorities have a strategy or policy in place for the transfer of assets to community groups at less than market value, and

fewer still have acted on this policy. See Locality, 'The Great British Sell Off', June 2018, p. 6 – pdf available at locality.org.uk.

1 Land Reform Review Group, *Land of Scotland*, p. 87.
2 Ibid., p. 104.
3 Ibid., p. 97.
4 Ibid., pp. 93, 109.
5 N. Pooran, 'Children's Hospital to Be Sold to Property Developers', 15 September 2017, at stv.tv.

1 The Green Party of England and Wales, *For the Common Good: General Election Manifesto 2015* (London: Green Party, 2015), p. 42.
2 Needless to say, this raises the question of why there has been no meaningful challenge. I discussed this issue briefly in the Introduction, and will return to it in the Conclusion.

1 See 'School Land and Property: Protection, Transfer and Disposal', 11 March 2014, at gov.uk.
2 'Decisions on the Disposal of School Land', 18 August 2017, at gov.uk.
3 The data on media usage is from Department for Culture, Media and Sport, 'Taking Part 2014/15, Focus on: Newspaper Readership', November 2015, p. 3 – pdf available at gov.uk.
4 'They Giveth and They Taketh Away', Our Ground, 2013, at ourground.net.

1 Eastbourne Borough Council, *Eastbourne Review Spring 2017*, p. 8 – pdf available at eastbourne.gov.uk.
2 Ibid., p. 11.
3 'Eastbourne Votes to Keep Downland Farms', *Eastbourne Herald*, 6 March 2017.
4 Eastbourne Borough Council, *Eastbourne Review Spring 2017*, p. 11.
5 'Eastbourne Votes to Keep Downland Farms', *Eastbourne Herald*.

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Chapter 5: False Promises: Land Privatization Outcomes

1 I base this figure on G. Shrubsole, 'Liquid Assets: Land Owned by the Water Utilities', Who Owns England?, 29 August 2016, at whoownsengland.wordpress.com. Note that Scotland's water provider, Scottish Water, remains in the public sector.
2 The figures for the Coal Board and the railways are both from Labour Research Department, 'Who Does Own Britain Today? Land Ownership in the 1970s', *Labour Research* 68: 4 (1979), pp. 1–4, at p. 4.
3 HL Deb 10 July 1989, c35.

4 Labour Research Department, ‘Who Does Own Britain Today?’, p. 4.

1 K. Cahill, *Who Owns Britain* (Edinburgh: Canongate, 2001), p. 138.

2 G. Topham, ‘Network Rail Joins the Public Sector: But Don’t Call It “Nationalization”’, *Guardian*, 28 August 2014.

3 For the end of the 1970s, I am relying on the sources identified in Chapter 2 and the estimate of the extent of public landownership – around 3.8 million hectares, excluding land owned by the nationalized industries – which I extracted from them. For the present, I am relying on sources identified and discussed in the following section of this chapter, which together generate an estimated total of around 2.2 million hectares – approximately 1.6 million hectares less than at the end of the 1970s.

1 National Audit Office, *Ministry of Defence: Identifying and Selling Surplus Property* (London: Stationery Office, 1998).

2 Department for Communities and Local Government (DCLG), *Public Land for Housing Programme 2015 to 2020: Annual Report* (London: DCLG, 2017), p. 18.

3 HM Treasury, *Whole of Government Accounts: Year Ended 31 March 2016* (London: Stationery Office, 2017), p. 20.

1 As early as 1982–83, proceeds from the sale of public land and buildings across Britain were already running at nearly £3 billion per annum, or approximately £8 billion in today’s prices. ‘Selling Off the Public Estate’, *Public Money* 5: 4 (1986), pp. 54–7, at p. 55.

1 G. Clark, ‘Public Ownership of Land in Scotland’, *Scottish Geographical Magazine* 97: 3 (1981), pp.140–6, at p. 143, estimates that 1.072 million hectares of Scottish land were in public ownership in 1979.

1 O. Bennett and D. Hirst, ‘The Forestry Commission and the Sale of Public Forests in England’, House of Commons Research Briefing SN/SC/5734, p. 4.

2 See, respectively, National Audit Office, *Ministry of Defence: Identifying and Selling Surplus Property;* Defence Committee (14 December 2007, HC 535: para 50), ‘The Work of Defence Estates’.

1 See, respectively, National Audit Office, *Ministry of Defence: Identifying and Selling Surplus Property;* National Audit Office, *Ministry of Defence: A Defence Estate of the Right Size to Meet Operational Needs* (London: Stationery Office, 2010), p. 5.

2 National Audit Office, *Ministry of Defence: A Defence Estate of the Right Size to Meet Operational Needs*, p. 5.

3 ‘Rationalising the UK Government Estate through the Government Property Unit’ 12 December 2017, at openaccessgovernment.org.

1 HC Deb 28 January 1988, c606.

2 Department of Health, *Disposal Strategy: Land for Housing*, 2011, pp. 11–12 – pdf

available at gov.uk.

1 T. Crewe, ‘The Strange Death of Municipal England’, *London Review of Books* 38: 24 (2016), pp. 6–10.

2 ‘Table 102: Dwelling Stock: By Tenure, Great Britain (Historical Series)’ – spreadsheet, at gov.uk.

3 J. Meek, *Private Island: Why Britain Now Belongs to Someone Else* (London: Verso, 2015), p. 192. The Right to Buy scheme remains in place in England. It was formally ended in Scotland in July 2016. In Wales, it was abolished in March 2018 for homes that are new to the social housing stock and therefore have no existing tenants; in January 2019, it will also be abolished for existing properties.

1 O. Cooper, ‘County Council Farm Tenancies – Still an Option?’, *Farmers Weekly*, 19 September 2013, at fwi.co.uk; A. Bawden, ‘Councils Forced to Sell Off Parks, Buildings and Art to Fund Basic Services’, *Guardian*, 14 March 2018.

2 G. Lean, ‘Is It Game Over for School Playing Fields?’, *Telegraph*, 12 September 2014.

3 HL Deb 24 April 1991, c328.

4 Lean, ‘Is It Game Over for School Playing Fields?’

1 Ibid.

2 Q. Letts, *50 People Who Buggered Up Britain* (London: Constable & Robinson, 2009), p. 58.

1 Audit Commission, *Managing Council Property Assets: Using Data from the Value for Money Profiles, June 2014*, 2014, p. 5 – pdf available at webarchive.nationalarchives.gov.uk.

2 B. Falconer, ‘Gloucestershire leaders have sold off an enormous amount of property worth nearly £100m and this is the full list’, 6 February 2018, at gloucestershirelive.co.uk.

3 DCLG, *Local Authority Capital Expenditure and Receipts, England: 2015–16 Final Outturn* (London: DCLG, 2016), p. 5.

1 My exact estimate for Scotland is 886,000 hectares (see Figure 5.2). The Land Reform Review Group, *The Land of Scotland and the Common Good* (Edinburgh: Scottish Government, 2014), p. 52, estimates 914,000 hectares; but its number for Forestry Commission holdings (651,000) is 2,000 too high, I have excluded the 36,000 hectares of Crown Estate land included in its total (see Introduction), and I am assuming that approximately 10,000 of the 40,000 hectares owned across Britain by Network Rail (and excluded from the Group’s estimate) are in Scotland. My exact estimate for England and Wales is 1,313,000 hectares. I know of only one other estimate, by the real estate agency Savills, of ‘at least’ 900,000 hectares. See Savills, ‘New Homes on Public Sector Land: Accelerating Delivery’, April 2016, p. 5 – pdf available at pdf.euro.savills.co.uk.

2 See, respectively, ‘Total Forestry Commission, Natural Resources Wales and Forest

Service Northern Ireland Land Area', March 2016 (copy available from the author); National Statistics, 'MOD Land Holdings: 2009 to 2016', July 2016, p. 1, at gov.uk.

3 Land Reform Review Group, *Land of Scotland*, p. 52. This estimate excludes land owned by Scottish Water, which is accountable to the public through the Scottish government, but legally an arm's length statutory corporation.

4 Based on G. Shrubsole, 'What Does Whitehall Own?', Who Owns England?, 14 September 2016, at whoownsengland.org. This estimate excludes land owned by Network Rail, which, like Scottish Water, is an arm's length public body.

1 Ibid.

2 This total refers to the non-primary-care estate; in other words, it excludes primary-care facilities such as general practitioner, pharmacist and dentist surgeries (of which there are more than 7,000). The figures are taken from Deloitte, 'Naylor Review: Data Analysis – Key Findings', October 2016, pp. 3, 8, at gov.uk. The same authors (p. 9) reckon that the primary estate is likely to have a total building area of around 400–500 hectares. A very helpful overview of the complex, distributed nature of ownership of the modern NHS estate is provided by L. Wenzel, H. Gilburt and R. Murray, 'NHS Estates: Review of the Evidence', King's Fund, October 2016, pp. 7–8 – pdf available at allcatsrgrey.org.uk.

3 Cabinet Office, *The State of the Estate in 2015–16* (London: Cabinet Office, 2017), p. 3.

4 Land Reform Review Group, *Land of Scotland*, p. 52.

5 G. Shrubsole, 'Who Owns England – One Year On, What We Now Know', Who Owns England?, 12 September 2017, at whoownsengland.org. This figure is based on a 2015 Freedom of Information request to the Land Registry by the journalist Christian Eriksson, who passed the data to Shrubsole. Elsewhere, one of Shrubsole's collaborators reports that local authorities own around 600,000 titles across England and Wales, suggesting that the average title is a little over 1 hectare in size. See A. Powell-Smith, 'The Companies and Corporate Bodies Who Own a Third of England and Wales', Who Owns England?, 14 November 2017, at whoownsengland.org

1 Bawden, 'Councils Forced to Sell Off Parks, Buildings and Art'; Cooper, 'County Council Farm Tenancies'.

2 Forestry Commission, *National Inventory of Woodland and Trees: England* (Edinburgh: Forestry Commission, 2001), p. 28.

3 Network Rail, 'Delivering a Railway Fit for the Future', 2016, p. 3 – pdf available at cdn.networkrail.co.uk.

4 Land Reform Review Group, *Land of Scotland*, p.52.

5 HM Treasury, *Whole of Government Accounts: Year Ended 31 March 2016*, p. 20. As we saw earlier, an estimated £170 billion of this estate is in England.

1 Although, as I noted in the Introduction, the state still owns the land under many of the council flats it has sold, thus complicating these comparisons somewhat.

1 ‘Government Drive to Use Land and Property for Growth’, 23 July 2015, at gov.uk.

2 On the intellectual–technocratic origins of ideas of ‘highest and best use’ and ‘highest utilization’, see N. Miller and S. Markosyan, ‘The Academic Roots and Evolution of Real Estate Appraisal’, *Appraisal Journal* 71: 2 (2003), pp. 172–84. For an excellent study of the political economy of how these ideas are put to work, see N. Blomley, ‘Mud for the Land’, *Public Culture* 14 (2002), pp. 557–82, at pp. 560–4.

1 R. Milne, ‘Watchdog Criticises Ministers over Land Sale “Loss”’, *Planner*, 16 July 2015.

2 ‘Wales Land Deal Leaves Taxpayers £15m Short’, BBC News, 15 July 2015.

3 ‘Whitstable’s Oval Chalet Site Sale Faces Judicial Review’, 21 February 2016, at kentonline.co.uk.

4 *Whitstable Society v Canterbury City Council* [2017] EWHC 254 (London), para. 101.

5 The recent annals of local authority land disposals in fact feature many proven examples of sales to private buyers at less than market value and without central government approval. In 2013, for instance, consultants appointed by the Audit Commission found that land at St James in Northamptonshire had been sold by Corby Borough Council ‘for considerably less than best price’ (‘Corby Regeneration Projects Management Condemned’, BBC News, 21 June 2013). And for every case where breach of the duty to achieve best consideration is substantiated, there is at least one case of such a breach being alleged. For discussion of one recent such case, in the London borough of Lambeth, see M. Smulian, ‘Amateur Auditors Claim Widespread Financial Mismanagement at Lambeth’, *Public Finance*, 7 July 2017, at publicfinance.co.uk.

1 ‘Table 671: Annual Right to Buy Sales for England’ – spreadsheet at gov.uk.

2 For the average discount figures, see, respectively, A. Beckett, ‘The Right to Buy: The Housing Crisis That Thatcher Built’, *Guardian*, 26 August 2015; R. Booth and T. Clark, ‘Council Houses Have Been Sold at 70% Under Their Market Value’, *Guardian*, 11 September 2015.

3 Average historic UK house prices taken from ‘UK House Prices Adjusted For Inflation – Nationwide’ – spreadsheet at nationwide.co.uk.

1 Cited in L. Fisher, ‘Councils Buy Back Houses at Huge Loss to Taxpayers’, *The Times*, 16 December 2014.

2 N. Hellen, K. Mansey and R. Henry, ‘Sell Us Your Council House and We’ll Split the Profit’, *Sunday Times*, 17 August 2014.

1 Cabinet Office, *Guide for the Disposal of Surplus Land* (London: Cabinet Office, 2017), p. 22.

2 H. Watt, ‘Property Firms Make Millions Buying and Selling on MoD Land’, *Guardian*, 18 March 2018.

3 D. Harrington, ‘Going, Going, Gone – the Great Hospital Sell-Off?’, Open

Democracy, 5 February 2015, at opendemocracy.net.

1 Fisher, ‘Councils Buy Back Houses.’
2 A. Homer, ‘Town Halls Buy Back Right-to-Buy Homes’, BBC News, 3 May 2017.

1 ‘Greenwich Council Spend £46.5 Million Buying Homes Off the Open Market’, 27 November 2017, at fromthemurkydepths.co.uk.
2 H. Watt, ‘How the MoD’s Plan to Privatise Military Housing Ended in Disaster’, *Guardian*, 25 April 2017.
3 Ibid.

1 Council tenants receiving Housing Benefit are not prohibited from exercising their Right to Buy; indeed, a study carried out in 2016 found that 16 per cent of 4,538 Right to Buy sales by ten local authorities had been to tenants in receipt of this benefit. See P. Apps, ‘16% of RTB Purchasers “On Housing Benefit”’, *Inside Housing*, 21 June 2016.
2 Communities and Local Government Committee (10 February 2016, HC 370: para 11), ‘Housing Associations and the Right to Buy’.
3 Meek, *Private Island*,, p. 193.
4 P. Apps, ‘Revealed: 40% of Ex-Council Flats Now Rented Privately’, *Inside Housing*, 14 August 2015.
5 N. Barker, ‘Councillor Renting Out 10 Ex-Authority Homes in “Right to Buy to Let” Capital’, 17 January 2018, at insidehousing.co.uk.
6 Communities and Local Government Committee (para 11), ‘Housing Associations and the Right to Buy’.

1 Meek, *Private Island*, p. 194.
2 ‘The Observer View on the Housing Market’, *Observer*, 5 October 2014.
3 ‘Rail land privatisation policy reversed after two decades as Network Rail takes back over 100 freight yards’, 16 November 2014, at rail.co.uk. See also M. Leftly, ‘Network Rail: Paranoia, bonus bungles and debt’, *Independent*, 27 January 2013.
4 ‘Rail land privatisation policy reversed after two decades’.
5 HC Deb 11 March 2016, c30287W.

1 National Audit Office (30 January 2018, HC 762: p. 18), ‘The Ministry of Defence’s Arrangement with Annington Property Limited’.
2 Public Accounts Committee (8 July 1998, HC 518), ‘Ministry of Defence: Sale of the Married Quarters Estate’, at publications.parliament.uk. Unless otherwise stated, all data and quotations relating to this disposal cited in the following paragraphs are taken from this report.

1 E. Neil-Gallacher, ‘Military Coup’, *Property Week*, 15 April 2005.
2 The MoD’s modelling of projected costs only covered the first twenty-five years because it considered that the net present value of costs that would be incurred later than

that was negligible. See National Audit Office, 'The Ministry of Defence's Arrangement with Annington Property Limited', p. 23.

3 Watt, 'How the MoD's Plan to Privatise Military Housing Ended in Disaster'.

4 Ibid.

1 Ibid.

2 Neil-Gallacher, 'Military Coup'. The National Audit Office has recently calculated that over the period from the 1996 sale to the end of March 2017, Annington has achieved a handsome annual rate of return of 13.4 per cent, and that the rate of return to Annington's principal investors has been 'much greater'. See National Audit Office, 'The Ministry of Defence's Arrangement with Annington Property Limited', p. 7.

1 T. Porter, *Trust in Numbers: The Pursuit of Objectivity in Science and Public Life* (Princeton, NJ: Princeton University Press, 1996).

2 J. Dobson, 'In the Public Interest? Community Benefits from Ministry of Defence Land Disposals', 2009, pp. 6, 1 – pdf available at urbanpollinators.co.uk.

1 Ibid., p. 2.

2 HM Treasury, *Operational Efficiency Programme: Final Report* (London: Stationery Office, 2009), p. 61.

3 Dobson, 'In the Public Interest?', p. 12.

1 Ibid., pp. 3, 6.

1 National Audit Office, 'Disposal of Public Land for New Homes' (24 June 2015, Session 2015–16, HC 87), p. 6.

2 DCLG, *Public Land for Housing Programme*, p. 9.

1 Written evidence from DCLG to the Public Accounts Committee (DPL0001), 19 January 2016.

2 Both cited in P. Waugh, 'Just 200 Homes Have Been Built on Public Land Sold Off by the Government, Whitehall Admits', *Huffington Post*, 26 January 2016, at huffingtonpost.co.uk.

3 Author's calculation, based on individual site figures provided in DCLG, *Public Land for Housing Programme*, pp. 30–44.

1 W. Brett, 'Selling Public Land Is Making the Housing Crisis Worse – New Research', New Economics Foundation, 3 March 2017, at neweconomics.org.

2 Ibid. In terms of rental, the government defines 'affordable' as costing no more than 80 per cent of average local market rent – which, clearly, in many parts of Britain, including most of London, is affordable only to the relatively affluent, which was the NEF's point. In terms of homes for sale, things are much more ambiguous, but the government has been moving – including in a draft revised National Planning Policy

Framework that remains out for consultation at the time of this writing – towards a definition comparable with the one used for rental, whereby 'affordable' constitutes sale at a discount of at least 20 per cent to market value.

3 Public Accounts Committee, 'Disposal of Public Land for New Homes' (24 September 2015, Session 2015–16, HC 289), p. 8.

4 House of Lords Select Committee on Economic Affairs, 'Building More Homes' (15 July 2016, Session 2016–17, HL 20), pp. 51–2.

1 J. Montgomery, 'The Significance of Public Landownership: Local Authority Land Trading in Oxford and Sheffield', *Land Use Policy* 4: 1 (1987), pp. 42–50, at p. 42.

2 House of Lords Select Committee on Economic Affairs, 'Building More Homes', p. 52.

3 The only existing initiative that might boost the proportion of affordable housing built on land recently – or soon to be – released by the public sector relates to London, where the problem of affordability is particularly acute. In August 2017, the mayor of London, Sadiq Khan, released supplementary planning guidance whereby certain housing schemes with higher proportions of affordable housing would become eligible for 'fast tracking' (benefiting, for example, from not being required to submit viability information at the application stage). This would include schemes with at least 50 per cent affordable housing and on land either (a) in public ownership or (b) that has been sold by the state and on which housing development is proposed. See Mayor of London, *Homes for Londoners: Affordable Housing and Viability Supplementary Planning Guidance 2017* (London: Greater London Authority, 2017), p. 23.

1 Public Accounts Committee, 'Disposal of Public Land for New Homes', p. 9; my emphasis.

2 Ibid.

1 National Audit Office, 'Disposal of Public Land for New Homes', pp. 22, 28.

2 DCLG, *Public Land for Housing Programme*, p. 11.

3 Written evidence from DCLG to the Public Accounts Committee.

4 Note the large discrepancy between the final total shown in the chart (93,850 homes) and the number reported by government for the programme's first phase (109,590). The discrepancy (15,740 homes) reflects the fact that the larger number included both (a) housing capacity from land that was sold before the programme had even started, and (b) land that had 'moved' outside the public sector through other means – such as when a public body converted to a charity. The DCLG was widely slated for this statistical sleight-of-hand.

1 J. Krutilla, A. Fisher, W. Hyde and V. Smith, 'Public Versus Private Ownership: The Federal Lands Case', *Journal of Policy Analysis and Management* 2 (1983), pp. 548–58, at p. 549.

2 Of course, there is a deeper question, too, about whether 'efficiency' is even a 'good'

thing, something to which society should necessarily aspire in its use of land, thus potentially deprioritizing other objectives. But I am going to sidestep that question here – my aim is to assess the government's stated aims for land privatization on the government's own terms.

3 See, for example, the discussion in R. Shiller, 'The Use of Volatility Measures in Assessing Market Efficiency', *Journal of Finance* 36 (1981), pp. 291–304.

1 M. Ball, 'Chasing a Snail: Innovation and Housebuilding Firms' Strategies', *Housing Studies* 14 (1999), pp. 9–22, at pp. 14, 19–20.

2 T. Dolphin and M. Griffith, *Forever Blowing Bubbles? Housing's Role in the UK Economy* (London: Institute for Public Policy Research, 2011), p. 2.

3 Ibid., p. 26.

4 Molior London, 'Barriers to Housing Delivery', December 2012, pp. 9, 23 – pdf available at london.gov.uk.

1 A. Wightman, 'A Land Value Tax for England: Fair, Efficient, Sustainable', March 2013, p. 5 – pdf available at andywightman.com.

2 'UK's Enviably Smooth Economic Recovery', *Financial Times*, 16 September 2015.

1 O. Wainwright, 'Made in London No More: Will Property Speculation Kill Industry in the Capital?', *Guardian*, 6 February 2017.

2 J. Ferm and E. Jones, 'London's Industrial Land: Cause for Concern?', February 2015, pp. 15–20 – pdf available at justspacelondon.files.wordpress.com.

3 J. Jones, 'The End of Industry in London?', February 2015, p. 3 – pdf available at london.gov.uk.

4 Wainwright, 'Made in London No More'.

1 The Government Office for Science, *Foresight Land Use Futures Project: Final Project Report* (London: Government Office for Science, 2010), pp. 9, 27.

2 'The Observer View on the Housing Market'.

3 C. Giles, 'Tory Land Compensation Plan Is First Step in Housing Reform', *Financial Times*, 15 May 2017.

1 D. Harvey, *The Limits to Capital* (Oxford: Blackwell, 1982), p. 362.

2 S. Tilford, 'Why British Prosperity Is Hobbled by a Rigged Land Market', Centre for European Reform, 13 February 2013, at cer.org.uk.

3 J. Plender, 'The Compact at the Heart of the Dysfunctional Housing Market', *Financial Times*, 14 May 2017.

1 Tilford, 'Why British Prosperity Is Hobbled'.

2 Plender, 'Compact at the Heart of the Dysfunctional Housing Market'.

3 Tilford, 'Why British Prosperity Is Hobbled'. Such potential gains to government go a long way to explaining the Labour party's recent (February 2018) statement of support

for land value taxation. See A. Perkins, ‘Labour Says Land Value Tax Would Boost Local Government Budgets’, *Guardian*, 22 February 2018.

4 Giles, ‘Tory Land Compensation Plan’. The lack in Britain of a land tax or any other meaningful mechanism whereby the state can capture the uplift in the value of land associated not only with the granting of planning permission but also state-financed nearby infrastructure improvements has, of course, been a feature of the political– economic landscape since the late 1970s (see Chapter 2). But only in recent years have significant numbers of voices begun to be raised once again against this state of affairs and its negative consequences – namely, ‘unearned increments’ realized by private landowners, and structural land-use inefficiencies of the type I mentioned. In January 2018, a belated official response of sorts was finally forthcoming: the Communities and Local Government Committee announced an inquiry into methods of land value capture (see ‘The Effectiveness of Current Land Value Capture Methods’, 19 January 2018, at parliament.uk). It remains to be seen what the Committee recommends – and, in the event that it proposes substantive methods for capturing value gains of the kinds introduced by successive Labour administrations in the post-war era, whether the present government has the will and stomach to take on the landowning classes.

1 Krutilla et al., ‘Public Versus Private Ownership’, p. 549.

2 P. Mirowski, ‘Postface: Defining Neoliberalism’, in P. Mirowski and D. Plehwe, eds, *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2009), pp. 417–51, p. 435.

3 Meek, *Private Island*, p. 17.

1 Quoted in Cahill, *Who Owns Britain*, p.14.

2 D. Adams, L. Cartlidge, C. Leishman and C. Watkins, *Understanding Builder to Builder Residential Land Transactions* (London: DCLG, 2008), pp. 14–15.

3 Ibid., p.29.

4 I. Fraser, ‘The Modern-Day Barons: Inside the Murky Underbelly of Land Promotion’, *Telegraph*, 5 August 2017.

1 M. Ball, *The Housebuilding Industry: Promoting Recovery in Housing Supply* (London: DCLG, 2010), p. 74.

2 ‘The Observer View on the Housing Market’.

1 See J. Montgomery, ‘The Privatisation of Public Sector Landholdings: The Example of Health Authorities in London and the South East’, *Planning Practice and Research* 1 (1986), pp. 23–7, at p. 23.

2 K. Cahill, ‘Who Really Owns Britain?’, *Country Life*, 16 November 2010.

3 D. Massey and A. Catalano, *Capital and Land: Private Landownership by Capital in Great Britain* (London: Edward Arnold, 1978), Chapters 5 and 6.

4 G. Shrubsole, ‘The 50 Companies That Own Over a Million Acres of England and Wales’, 12 December 2016, at whoownsengland.org.

5 ‘Table: Who Owns London (Ranked by Sq Ft)’, 21 March 2017, at propertyweek.com.

1 M. Griffith, *We Must Fix It: Delivering Reform of the Building Sector to Meet the UK’s Housing and Economic Challenges* (London: Institute for Public Policy Research, 2011), p. 30.

2 Office of Fair Trading, ‘Homebuilding in the UK: A Market Study’, September 2008, p. 129 – pdf available at webarchive.nationalarchives.gov.uk.

3 M. Lyons, ‘The Lyons Housing Review: Mobilising across the Nation to Build the Homes Our Children Need’, 2014, p. 62 – pdf available at policyforum.labour.org.uk.

4 For an interesting discussion of the relationship between strategic and current land banks, and of how one particular builder, Taylor Wimpey, manages this relationship, see P. McAllister, ‘Land: Inventory or Asset?’, 23 January 2018, at getrealpat. wordpress.com.

1 J. Callcutt, *The Callcutt Review of Housebuilding Delivery* (London: DCLG, 2007), p. 38.

2 Ibid., p. 39.

3 Office of Fair Trading, ‘Homebuilding in the UK’, p. 129.

4 Ibid, p. 133.

5 Lyons, ‘Lyons Housing Review’, p. 61.

6 P. Jefferys, ‘Land Banking: What’s the Story? (Part 1)’, 14 December 2016, at blog.shelter.org.uk.

1 Griffith, *We Must Fix It*, p. 30.

2 For a fascinating – if decidedly partial – discussion of how builders manage this development pipeline, and why banking is to some extent necessary, see ChamberlainWalker Economics, ‘The Role of Land Pipelines in the UK Housebuilding Process’, September 2017 – pdf available at cweconomics.co.uk. This report was commissioned by Barratt Developments, one of the UK’s largest residential property development companies.

3 Though the housebuilding industry itself, needless to say, would beg to differ. Its view is captured in the aforementioned recent report by Barratt’s economic consultants, ChamberlainWalker Economics, who, without actually admitting that land banks *have* grown, offer a theory as to why it would be understandable had they done so. The essence of this argument, which, being only weakly evidenced, I personally find unpersuasive, is that in recent years ‘post-planning permission’ development timescales have markedly increased, which requires builders to manage their land banks accordingly. They speculate that this purported lengthening of development timescales ‘is likely to be the result of (i) an increased burden of pre-commencement conditions’, and ‘(ii) an increased reliance in England for housing delivery on “large sites” that take longer to build out’. See ibid. (no page number).

1 Callcutt, *The Callcutt Review of Housebuilding Delivery*, p. 136.

2 Griffith, *We Must Fix It*, p. 29. Compare Plender, 'Compact at the Heart of the Dysfunctional Housing Market': 'Many [UK housebuilders] have operated, in effect, as land speculators with a building operation on the side.'

3 Watt, 'Property Firms Make Millions'.

1 Lyons, 'Lyons Housing Review', p. 86.

2 See, for example, I. Fraser, 'Land Bank Move Hits Housebuilders' shares', *Telegraph*, 22 November 2017; K. Holton, 'British Housebuilders Hit by Land-Banking Review', 22 November 2017, at uk.reuters.com. Letwin delivered a draft report in June 2018, just as this book was going to press. See O. Letwin, *Independent Review of Build Out Rates: Draft Analysis.*

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